Daily Report

East Europe

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Tuesday
8 January 1991

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NOTICE TO READERS: * indicates material not disseminated in electronic form.

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CSFR Pushes for CEMA Abolition at Meeting

LD0301183591 Prague Domestic Service in Slovak 1800 GMT 3 Jan 91

[Text] The USSR—A session of the special commission for radically restructuring the system of economic cooperation between the CEMA countries began today in Moscow. It is to prepare proposals for tomorrow's session of the Council's Executive Committee, which is to definitively forumlate the concept for the organization's future.

Czechoslovak Economic Affairs Minister Vladimir Dlouhy, who is heading our delegation, said that Czechoslovakia is pressing for the existing CEMA to be abolished and to be replaced by a different organization. According to him, the main issue at the Executive Committee session will be whether they can succeed in gaining acceptance of this idea.

Minister Dlouhy had a meeting today with Stepan Sitaryan, chairman of the USSR State Commission for External Economic Relations, with whom he discussed, among other things, supplies of Soviet oil for this month.

New Organization Proposed

LD0401190691 Prague Domestic Service in Slovak 1800 GMT 4 Jan 91

[Text] The CEMA Executive Committee has proposed at its session in Moscow that CEMA be dissolved and that a new organization be set up in its place with the provisional working name of the Organization of International Economic Cooperation [Organizacia Medzinarodnej Hospodarskej Spoluprace]. Czechoslovak Economy Minister Vladimir Dlouhy said that by the will of all the member countries, a new and substantially smaller organization would come into being which would primarily have an information and coordination role, and would promote trade relations on a bilateral basis as well as multilateral cooperation.

New Body Further Described

LD0701225991 Warsaw PAP in English 2143 GMT 7 Jan 91

[Text] Warsaw, Jan. 7—The liquidation of CMEA, from the legal point of view, will take place at the moment of the ratification of a statute of the International Economic Cooperation Organization (IECO), replacing CMEA, during the organization's last session in Budapest planned for February 27-28, to be attended by premiers of member-states, Adam Barszczewski of the Foreign Cooperation Ministry told PAP.

IECO is to be a consultative and information-providing body deprived of decision making powers and represented by a committee of government representatives composed of ministers of foreign trade.

The new organization will take over the rights and duties of CMEA. The majority of obligations stemming from agreements signed within CMEA will be annulled. Remaining ones, like the agreement on general conditions of deliveries will not be obligatory.

The International Bank for Economic Cooperation, with assets reaching about 400 million ECU, will become a commercial bank, while the investment bank (1 billion ECU in assets) is to function in tune with its purpose. In the future, both banks are to be transformed into stock companies.

According to Barszczewski, the basic advantage of the new organization could be the protection of the hitherto accomplishments of CMEA which can help IECO member-states in their shift to market economies. One can also expect that IECO member states will grant to each other economic and trade preferences, concluded Barszczewski.

CSFR Minister Comments

LD0501145791 Prague CTK in English 1419 GMT 5 Jan 91

[Text] Moscow Jan 5 (CTK)—The Council for Mutual Economic Assistance (CMEA-Comecon), founded in 1949, virtually ceases to exist after members of its Executive Committee today signed a protocol proposing the setting up of a market-oriented group to be called the Organization for International Economic Cooperation.

The statutes of the new organizations will be submitted for approval to a meeting of premiers of CMEA member states, due in Budapest late February.

Czechoslovak Economics Minister Vladimir Dlouhy said his country viewed the new organization as a provisional one as its ultimate goal is the entry into the present West European communities or a future all-European structure. Dlouhy expected this process to last at least ten years and a similar opinion is held by Hungay and Poland.

CMEA Secrerariat Chairman Vyacheslav Sychev stated that the Executive Committee had approved a temporary budget for the first half of this year, amounting to 6.8 million rubles. Dlouhy later told newsmen his country thought this amount to be too high, adding that the new organization should make do with substantially more modest means and significantly reduce its apparatus.

The presence of Cuba, Mongolia and Vietnam in the new organization was an open question and Minister Dlouhy thinks it necessary to take into consideration the extent to which each of them reforms its economy and passes over to market conditions. As regards Albania, a former CMEA member, Dlouhy said it remains to be seen what directions the changes in that country will take and whether it directly shows any interest.

Submitted to the premier's meeting will be also a draft convention on mutual trade and inter-governmental agreements on property matters. "Its (CMEA) property

does not belong to the USSR and claims to it by some Moscow organizations are thus unjustified," said Dlouhy.

He went on to point out that problems may arise in the parliaments of the member states, to which the documents signed in Budapest will be submitted by ratification. "The proposal for CMEA" continuation or its reform would clearly not be passed by our parliament and therefore its activities must be terminated. However, there can be no vacuum, both from the political and economic points of view," Dlouhy said, adding that also Western leaders, including the president of the Commission of the European Communities Jacques Delors, have made it clear they would like some degree of integration in Eastern and Central Europe to continue.

After today's session the Czechoslovak delegation led by Vladimir Dlouhy left for Budapest.

Romanian Representative Comments

AU0701212991 Bucharest ROMPRES in English 2016 GMT 7 Jan 91

[Text] Bucharest, ROMPRES, 7/1/1991—Academician Tudorel Postolache, Romania's permanent representative to COMECON, who attended the meeting of the Special Commission for preparing the statutes of the organization in its new form, told the press, when he came back from Moscow:

In the meeting of the Special Commission we adopted the draft statute of the new organization, that is fundamentally different from the former COMECON. The new statutes are going to be signed at the end of February or the beginning of March by the prime ministers of the countries that will be members of the new organization of economic cooperation. All the former COMECON members, Romania included, showed themselves interested, first of all from the economic point of view, to enter the organization.

PDSh Forms Branch in Fier; Rally Held

AU0701200291 Tirana Domestic Service in Albanian 1900 GMT 7 Jan 91

[Text] The Democratic Party [PDSh] held a rally this afternoon in Victory Square in Fier on the occasion of the formation of the party's branch in this city.

The rally was opened by this branch's activist, Arian Nika, who among other things, said that we are gathered here to welcome the creation of the PDSh and its branch in Fier District, which has necessarily been created as part of the democratic processes that have enveloped the whole of Europe, toward which we will move with wisdom and tolerance.

Sali Berisha, member of the Initiating Commission for the creation of the PDSh, spoke at the rally. After emphasizing the democratic traditions of the people of Myzeqe and Mallakaster, he said that the PDSh will struggle to strengthen national unity and to realize the wishes and aspirations of the people for a democratic, pluralist, and modern Albania, for the realization of a law-governed state, for social justice and the equality of all individuals, and for the full integration of Albania in the European community. He called for support for the PDSh's familiar demands for a postponement of the elections for the People's Assembly, changes to the Electoral Law, which declares the mass organizations to be independent participants, and the release of all political prisoners. Other activists of the Fier branch also spoke.

The rally took place in accordance with the regulations and laws in force.

Ecology Party Registers With Justice Ministry

AU0701194791 Tirana Domestic Service in Albanian 1900 GMT 7 Jan 91

[Text] Justice Minister Enver Halili summoned representatives from the organizing group of the Ecology [Partia Ekologjike] to the Ministry of Justice today in connection with their application for the approval of the Ecology Party in accordance with Decree No. 7442 of the Presidium of the People's Assembly dated 17 December 1990.

After acquainting himself with the party's program and other documents, which are in accordance with the Constitution of the People's Socialist Republic of Albania and the decrees of the Presidium of the People's Assembly, he communicated his instruction for the request for permission to form the Ecology Party to be approved, for the party's registration in the relevant ledger, and for the deposition of its documents in the ministry's archives.

A copy of this instruction, which comes into effect immediately, was handed over to the organizing group for the formation of the Ecology Party.

Human Rights Group Not Yet Legalized

AU0701132591 Paris AFP in English 1118 GMT 7 Jan 91

[Text] Belgrade, Jan 7 (AFP)—An Albanian group called the Human Rights Forum accused the government of foot dragging over its request for legal recognition, despite Tirana's decision last month to allow opposition parties. Writer Besnik Mustafaj, a spokesman for Forum, accused the government of intercepting its mail and said the state press was refusing to publish any news of the new group's formation. He said Forum was founded on December 19 by a group of Albanian intellectuals shortly after President Ramiz Alia decided to legalize Albania's first opposition party, the Democratic Party.

The spokesman said Forum wants to investigate numerous human rights complaints but cannot do so until it is given legal authorization as a political party. "A number of people have already come forward to us, charging that they were arbitrarily arrested or mistreated by police, but we cannot confirm or investigate these reports as long as we have no legal status," said Mr. Mustafaj.

Albania's ruling Party of Labor announced its decision to reform what was Europe's last remaining orthodox communist regime last month, and has scheduled the first free elections since World War II for February 10.

In the last month, the Forum group has established contact with several international human rights organizations, including Amnesty International, the Paris-based International Federation of Human Rights, and the International Federation of Helsinki, according to Mr. Mustafaj.

Other founding members are writers Neshat Tozaj and Elsa Ballauri, the historian Arben Puto and attorney Abdi Baleta.

Prices, Wages Commission Created

AU0701171891 Tirana Domestic Service in Albanian 1700 GMT 7 Jan 91

[Text] A state commission has been created for the radical consideration of problems of prices and wages and is headed by Bujar Kolaneci, chairman of the State Planning Commission. The aim of this study is to further improve the prices and wages system in accordance with the introduction of the new economic mechanism in our country. At the conclusion of the study, the Council of Ministers will make the appropriate decisions.

Tirana Electoral Candidates Presented to Voters

AU0701203491 Tirana Domestic Service in Albanian 1900 GMT 7 Jan 91

[Text] At 1700 this afternoon, in one of the halls of the University and School Textbook Publishing House, candidates for the post of deputy for Constituency No. 213 of District No. 27 were presented to voters.

[Name indistinct], from the Second District Party Committee, proposed Professor Hamit Beqja as the Albanian Workers Party [PLA] candidate. Shpresa Mino, secretary of the district Trade Unions, proposed the construction engineer Yllka [name indistinct], hero of socialist labor, as the Trade Unions' candidate, and Ibrahim Sino proposed the officer Pirro Varti, candidate of sciences, as the Democratic Front's candidate.

The inhabitants of District No. 27, after acquainting themselves with the nominations that had been put forward, discussed them and made various suggestions about the electoral campaign. After a great deal of discussion, the three nominated candidates were adopted by a majority of votes.

In the capital's Second District, whose inhabitants are included in Constituency No. 205, the representative of the district's Democratic Front presented the Front's candidate Leonard Nano, general secretary to the Construction Ministry. Ylli Pepo, outstanding artist and artistic director of the television, was also presented as the candidate of the Trade Unions and the Albanian Union of Working Youth. After the characters of both candidates were described in detail, many voters spoke. They expressed the view that it would necessary for those who proposed the candidates to also be present at the announcement of the candidatures to make the meeting as fruitful as possible. Many residents who spoke also stressed that candidates for the post of deputy should be residents of the district because this means that they would be aware of residents' problems and concerns. They then put forward the view that Liman Daci, an economist at the Institute of Economic Studies, would also be a possible, appropriate, and able candidate because he had always made efforts as a member of the District People's Council to respond to the demands and concerns of the district's inhabitants. The meeting, which was of a consultative nature, therefore concluded with two nominations, Liman Daci and Ylli Pepo.

Deputy Foreign Minister Plaka Leaves for Finland

AU0701220091 Tirana ATA in English 1905 GMT 7 Jan 91

[Text] Tirana, January 7 (ATA)—The vice-minister for foreign affairs of the PSR [People's Socialist Republic] of Albania, Sokrat Plaka, left on an official visit to Helsinki at the invitation of the secretary of state for foreign affairs of Finland.

During this visit the Albanian foreign vice-minister will meet and conduct talks with his counterpart, Ake Wihtol, as well as with other personalities of the country, on the further development of the friendly relations between Albania and Finland.

He will also exchange views on the materialization of cooperation in the field of economy and trade, science, technique and culture, in the field of bank cooperation etc.

In these meetings they will also talk about the present international developments, Albania's participation and joining in the CSCE, as well as about the process of Balkan cooperation.

Zhelev Delivers New Year Message

AU0801112191 Sofia DUMA in Bulgarian 1 Jan 91 pp 1,2

[New Year's address by President Zhelyu Zhelev; in Sofia on 31 December]

[Text] Citizens of the Republic of Bulgaria!

I think that 1990 was a remarkable year of great political changes. Like other East European countries, Bulgaria accomplished the peaceful transition from the totalitarian one-party system to parliamentary democracy. As a result of all these changes, Bulgaria's political image has thoroughly changed. Today Bulgaria has a multiparty system, independent trade unions, a free press, an independent radio and television network, and a democratically elected parliament—which also applies to the president and the government.

Our foreign policy also underwent essential changes. The foundations of a new, independent, and autonomous foreign policy, based on the sole objective of protecting Bulgaria's interests and guaranteeing its territorial integrity and national security were established in 1990. The principles, goals, priorities, and trends of our foreign political activities have changed in this connection.

Without renouncing the positive, valuable, and sensible elements of our relations with the partners of the former socialist camp and with the Soviet Union, our country is widely opening up to the outside world and to the developed Western countries in particular.

Our relations with the United States and France have definitely improved. A similar expansion of our relations with Germany, Great Britain, and Italy is under way. Our traditionally good relations with the neighbors have considerably improved. The great rapprochement between Bulgaria and Greece is a fact to which we attach particular importance. Our relations with the Republic of Turkey have improved, and we hope that we are facing positive trends for the future in this respect. No objective obstacles exist for the further development of good neighborly relations with Romania and Yugoslavia.

Bulgaria's integration with the European and worldwide economic and political structures represents another basic priority of our foreign policy. Bulgaria became a member of the International Monetary Fund and an association member of the EC. Our country signed an agreement on trade and cooperation with the EEC and is a founding member of the European Bank for Restoration and Development. Bulgaria also was integrated in the PHARE program of the group of 24.

If 1990 was primarily a year of major political events, everything seems to point to the fact that 1991 is expected to be a year of economic change—the year during which the country's chief economic reforms, such as the following, are expected to be implemented: Restoring the land to the peasants; separation from the state and privatization of the major state enterprises; elimination of monopolies; total restructuring of the banking system, of taxation, social welfare, and so forth.

In 1991 the Bulgarian people are expected to participate in two types of elections—local government elections and general elections for a new, normal National Assembly. These two elections are envisaged for the first half of 1991, and perhaps a third type of election awaits us in the second half of the year—namely presidential elections, provided that the new constitution envisages direct presidential elections.

Regarding foreign policy, 1991 appears promising. An agreement with the International Monetary Fund is expected to be signed in 1991. It will open up Bulgaria's access to the World Bank, the EEC, and the Club of 24.

Qualitatively new opportunities for expanding bilateral relations with the developed countries of Europe and the world will simultaneously emerge. On this basis Bulgaria is expected to be granted most-favored-nation status in trade relations with the United States.

In 1991, as a result of our linkage with the most powerful economic levers, such as the International Monetary Fund and the World Bank, we will begin slowly and painfully, but surely and steadily, to overcome the stagnation of the economic crisis. I am pointing out this fact because 1991 is expected to be a difficult year. Those who should rescue our country from the crisis will impose severe restrictions regarding wages and inflation. They will demand the closing of unprofitable enterprises, and others, while prices will be simultaneously liberalized.

Despite a whole network of protective measures for the unemployed and socially vulnerable citizens, despite all compensatory measures which are expected to be adopted by the government and the trade unions, the population's living standard will inevitably drop.

No other alternative exists. By advancing along the difficult path, we will see for the first time light at the end of the tunnel, and if everything should proceed smoothly enough as it is envisaged, the lines in front of basic foodstuff stores and the black market should disappear toward the second half of 1991, and barter, as well as other forms of illegal economic transactions should also be eliminated.

If things proceed in accordance with the economic program that will be guaranteed by the International Monetary Fund, the production decrease should be halted by the middle of 1991. Production should be stabilized, and a permanent trend toward an increase of production is expected to develop. By the end of 1991, or at the earliest in the autumn of 1991, the positive results of the reform should emerge.

For this purpose, it is necessary that the efforts of the National Assembly and the government should be firmly supported by the political forces, namely by all forces—by those who are represented in parliament and by the

parties and movements outside the National Assembly—and also by the trade unions, irrespective of the fact that this may be very difficult for them.

The national economy is one and indivisible for all Bulgarian citizens—regardless of their party, or ethnic affiliations, of their religious, or political convictions. As long as we are inspired by the wish to reform our economy and to establish a real market economy, we must work together, we must join our forces. Any political partiality, any party-biased aspirations or personal ambitions should be set aside and play a role of secondary importance for the sake of the nationwide interests, for the benefit of Bulgaria.

Nevertheless, as the first half of 1991 promises to be difficult, I appeal for more human solidarity; for mutual assistance and compassion; for charity, especially regarding the socially vulnerable groups of our population, such as the unemployed, the aged, the sick and lonely, and, of course above all, the children. May everyone of us try to give these words a special meaning through his own good deeds and actions for the benefit of others, so that they may not remain mere words. Let the difficulties and hardships facing us as a result of the current crisis serve as a basis for our unity, for the nation's unification irrespective of all differences existing among us.

In its centuries-old history the Bulgarian people have lived through much more difficult periods and still survived because misfortune produced spontaneous aspirations for unity. Let us learn from the past in this respect.

Last, but not least, I would like to wish everyone of you and your families health, success, and happiness for 1991.

I would like to convey New Year's wishes also to our compatriots, who for one or another reason are living abroad and to assure them that the motherland has not forgotten them and never will.

May the People's Republic of Bulgaria in 1991, after having adopted a democratic constitution, after having built up democratic institutions of central and local government, after guaranteeing the human rights of its citizens, and after having firmly engaged in the economic reforms in towns and rural areas, may this "pure and sacred republic,"—as Vasil Levski, our national hero and freedom fighter, used to call it—take its worthy and well deserved place among the civilized nations of Europe and the world.

Zhelev Criticizes Nationalists, Monarchists

AU0701212191 Sofia BTA in English 2004 GMT 7 Jan 91

[Text] Sofia, January 7 (BTA)—Dr. Zhelyu Zhelev, president of the Republic, called for a constructive dialogue on the ethnic issue during a visit today to southwestern Bulgaria, an area of mixed population of ethnic Bulgarians and Turks.

The lack of a comprehensive concept and consistent policy on the ethnic issue is one of the causes for concern and rash action, the head of state believes. He assessed as "wrong for Bulgaria" certain actions of the Fatherland Party of Labor and the Committee for Defense of National Interests.

The president reacted strongly to the declaration of the self-proclaimed "Bulgarian Republic of Razgrad" in an exercise of political propaganda at the end of last year, staged in Northern Bulgaria by nationalistically minded Bulgarians. President Zhelev recently criticized in public the mass protest of some 2,000 Bulgarians from Khaskovo and Kurdzhali who requested political asylum in Greece at a rally on the Bulgaro-Greek border in November, pleading abuses of their rights by Bulgarian Muslims. In a statement in this connection the president declared himself categorically against the fomenting of nationalism and separatism of whatever source.

During his visit today to Khaskovo, a regional capital of an area with mixed population, the president took a stand to the country's system of government. Asked about his view of the spread of pro-monarchy sentiments in certain quarters, Dr. Zhelev said: "The Bulgarian people has voted in favor of republic and all actions injuring the prestige of the official state rule are inadmissible. Any attempts to restore the monarchy could result in a national catastrophe and in further divisions of the people."

The head of state conferred with representatives of the local authorities, of the political forces and the public in the region of Khaskovo to discuss various aspects of the forthcoming land reform, the grave condition of the environment in the area and other local concerns.

Zhelev Visits Khaskovo, Discusses Transition

AU0701103691 Sofia Domestic Service in Bulgarian 1000 GMT 7 Jan 91

[Text] On 7 January Zhelyu Zhelev, president of the Republic, arrived in Khaskovo on a working visit. He met the members of the Provisional Executive Committee of the municipal People's Council, the Executive Committees of the municipal People's Councils in Khaskovo Oblast, and leaders of the political parties and organizations in Khaskovo Oblast.

In his speech President Zhelev dealt with topical tasks related to the transition from the totalitarian system to parliamentary democracy. He expressed conviction that the Grand National Assembly will be able to create a judicial basis for the transition to a market economy, the ownership of agrarian land, and the privatization of state property.

He said that the land is the basic and greatest national wealth, and expressed hope that agriculture will facilitate the efforts to overcome the economic crisis.

The talk with the participants in the meeting continues at present. The topics being discussed include unresolved issues of the provisional leaderships, the use of land, ecological issues, and other matters.

Pushkarov Interviewed on Trade Ministry Functions

AU0801113791 Sofia DUMA in Bulgarian 2 Jan 91 pp 1, 2

[Interview with Economy Minister Ivan Pushkarov by Katya Yaneva; date and place not given—"The Greatest Ministry and Its Minister"—first paragraph is DUMA introduction]

[Excerpts] Ivan Pushkarov, 52, is minister of industry, trade, and services in the cabinet of Dimitur Popov. He was kind enough to answer questions of DUMA's reporter. [passage omitted]

[Yaneva] What prompted the establishment of such a superministry?

[Pushkarov] I do not think that this is a superministry. The fact that several ministries merged must not be accepted as an illusion that a superministry has been created. We simply progressed to a new manner of thinking about the role of such an institution.

The Ministry of Industry, Trade, and Services was established as an institutional foundation of the ideology on changing the economic system. It must be subjected to the needs of the transitional period and resolve this period's problems. This fact imposed the need of merging the ministries. It will determine the make-up of the new ministry and the sharp reduction of the personnel, who will not implement as many functions as in the past. The administrative functions of the ministry were sharply reduced and almost eliminated. It will deal with establishing the rules of the economic agents' behavior, and the technological control over this behavior.

Inevitably, during the transition period the ministry will continue to implement certain functions of state influence and regulation basically related to the necessity of ensuring raw materials and other materials for several production branches, which are in a disastrous situation.

[Yaneva] Where will you begin?

[Pushkarov] Three basic areas emerge. They will allow us to implement our main task—the transition and the change of the economic system.

The structural and technological restructuring of industry is the most important area. The present structure of industry is related to an obsolete economic system and therefore must be radically changed. On the basis of analysis and assessment the ministry must outline the directions of this change. The final goal of structural restructuring is to allow our economy to organically merge with world economy.

The second area is related to the state influence over the behavior of the industrial companies and organizations. It is a passive direction, the heritage of the previous administrative centralized system. The basic goal will be to maintain the raw materials, energy, and other basic national balances in our economy and aid the companies and organization in anything related to supply with basic raw materials and other materials during the current year. [passage omitted]

The third area is related to the issues of markets, viewed as a sphere of turnover. This will encompass the issues that until now were a part of the activities of the Ministry of Trade and the Committee on Tourism. [passage omitted]

Transport, Industry Hit by Fuel Shortages

AU0801091791 Sofia BTA in English 0740 GMT 8 Jan 91

["Fuel-Starved Economy Grinds to a Halt"—BTA headline]

[Text] Sofia, January 8 (BTA)—No ship has attracted so much attention here since the Titanic. Bulgaria pins its hopes on a tanker named the "Struma." She is awaiting fair weather in the Soviet Black Sea port of Novorossiysk to start loading oil.

Radio Sofia broadcasts hourly reports on the delayed loading operation, and the traffic controllers of the Bulgarian merchant marine are mentioned by name more often than the prime minister.

The Petrochemical Works in Burgas, which holds the monopoly of Soviet oil processing, has been operating at almost zero capacity for several days now. The oil-starved works is grinding to a halt, the press reports today.

News about the shortage of liquid fuel pours in from different towns. Public transport in the city of Ruse on the Danube barely runs, as supplies meet only 30 per cent of its needs. Scores of plants in that major industrial centre of northern Bulgaria had to carry on their New Year holiday until yesterday for lack of fuel, electricity and raw materials.

A number of factories in Sliven, an industrial centre in eastern Bulgaria, have not been functioning for similar reasons since Christmas.

The operation of Maritsa Iztok, a major power plant in southeastern Bulgaria which runs on locally mined low-grade coal, will be disrupted as trains will no longer be able to ferry coal from the pits to the power plant because they have run out of signal light batteries. The only facility that manufactures the batteries lacks hard currency to import vital components.

Public transport in the town of Razgrad is just as severely affected by the fuel shortage. Electricity rationing has been reintroduced in Sofia. Bulgaria is looking forward to the arrival of 65,000 tons of oil on board the Struma.

Several Controversial Points in Land Bill

AU0701140291 Sofia BTA in English 1316 GMT 7 Jan 91

["The Most Important Law—The Land Act"—BTA headline]

[Text] Sofia, January 7 (BTA)—Despite the differences in their political views the Bulgarian MP's are unanimous in their conviction that the land act is the most important law to be passed.

It must be adopted with a qualified majority.

The parliament has already discussed several times the bill introduced by the Parliamentary Committee on Land Reform. The bill comprises 12 different proposals. More new proposals are being introduced.

There are several controversial key points: when and how the land can be sold and bought, should it be sold at market prices, may foreigners and Bulgarians living abroad own land and what is to be done with the property of cooperative farms into which people had been forced more than thirty years ago.

Mr. Aleksandur Dzherov, chairman of the parliamentary Legislative Committee, thinks that the Land Act should be a part of a pack of laws on cadastre and cooperation. Mr. Dzherov says openly that the bill now under discussion in parliament needs to be further worked on. He supports the opinion that parliament might first decide on the controversial issues. This is an idea recently supported by various MP circles as it became clear that the confrontation between the political forces has deepened with the discussions on the Land Bill.

Provincial 'Public Court' Accuses Lukanov

AU0801091991 Sofia BTA in English 0801 GMT 8 Jan 91

[Text] Sofia, January 8 (BTA)—The former prime minister Mr. Andrey Lukanov and senior executives of the Stara Zagora-based Disk and Memory Storage Devices Company are responsible for scores of millions of dollars worth of exchequer losses, according to an indictment submitted by Engr. Zhivko Zhelev, former manager of the company, to the first hearing of a public "court" held in Stara Zagora. Today's papers cover the hearing held on the initiative of the local branches of the Alternative Socialist Party and the Podkrepa Labour Confederation. The idea is to identify the culprits and to hold them up to public censure.

Engr. Zhelev claims that a large part of the hard currency earnings of the Disk and Memory Storage Devices Company has been transferred to private bank accounts. Duplicates of documents to this effect have been submitted to the members of the court.

Government Adopts Decrees at Six-Hour Session

AU0501212691 Sofia Domestic Service in Bulgarian 2030 GMT 5 Jan 91

[Text] At its meeting this afternoon, the government adopted a draft decree updating the regulations on the application of Decree No. 56 on economic activity and an order concerning auctions for the sale of state and municipal property. The ministers revised the regulations for the export of [words indistinct] and meat to the EC member countries, which will be regulated by a forthcoming government decree. The Council of Ministers also adopted a decision to set up a agency for economic development and a council on legislative acts.

The meeting approved a decision on the effective utilization of the loan of U.S. $50 million provided by Turkey on favorable terms, as well as the agreement ratified in October 1989 on Bulgarian-U.S. trade relations.

Toward the end of the six-hour meeting a decision was made to found a new newspaper that will reflect the viewpoints and decisions of the Council of Ministers.

Beginning Monday [7 January] a new government press center will operate under the direction of (?Vladimir Yalov).

Statement on Competence of Kozloduy Plant Staff

AU0501205491 Sofia DEMOKRATSIYA in Bulgarian 26 Dec 90 p 1

[Statement by Professor Tsvetan Bonchev, chairman of the Bulgarian Commission on Nuclear Power Industry Affairs; place and date not given]

[Text] On 22 December the Bulgarian Radio broadcast an announcement by the Permanent Government Commission for Actions in the Event of Disasters and Accidents that the reports by "certain foreign mass media" concerning a radiation accident at the Kozloduy Nuclear Power Plant had not been confirmed.

The denial is in accordance with the real situation, but does not mention the viewpoint of the assumed pollution source—the Kozloduy Nuclear Power Plant, and thus instills a conviction among the population that the nuclear power plant should be kept under guardianship.

The Commission on Nuclear Power Industry Affairs, attached to the Chancellery of the President of the Republic, considers that one cannot permit such an attitude toward the people who produce about 40 percent of the electric power in Bulgaria. It is true that the Kozloduy Nuclear Power Plant is not in good condition, for which the former leaders and "guardians" are responsible. However, it is also true that highly qualified specialists work at the plant;

thanks to them, the country receives electricity, and it can rely on them to improve the condition of the nuclear power plant. The scornful attitude toward these people does not stand up to criticism.

Railroad Workers Appeal to President Zhelev

AU0701205691 Sofia Domestic Service in Bulgarian 2000 GMT 7 Jan 91

[Text] The Union of Railroad Engine Drivers in Bulgaria submitted an appeal to President Zhelyu Zhelev asking for his assistance in the negotiations between the union, the Bulgarian State Railroad Company, and the Ministry of Transportation.

The union expects positive results from the negotiations to avoid effective strike actions of the engine drivers.

Our chief goal is to wake up our inactive, sleeping, and indifferent leaders who are directly responsible for the present state of the Bulgarian State Railroads, it is pointed out in the document.

Newspaper To Carry Official Information

AU0601181091 Sofia BTA in English 1657 GMT 6 Jan 91

["New Tasks for 'OTECHESTVEN VESTNIK'"—BTA headline]

[Text] Sofia, January 6 (BTA)—"OTECHESTVEN VESTNIK" will become a major source of information on the work of the government, according to a decision taken yesterday by the Council of Ministers.

As from January 8, the evening daily of the Fatherland Union will come out in the morning and will provide detailed coverage of the work of the Council of Ministers without however becoming a government newspaper.

Representatives of all mass media will be accredited to a Press Center which will be set up with the Council of Ministers.

To Focus on Government

AU0801092291 Sofia BTA in English 0805 GMT 8 Jan 91

[From BTA review of central Sofia press]

[Text] Sofia, January 8 (BTA)—From now on "OTECHESTVEN VESTNIK" (the Fatherland Union's daily) will be a morning paper focusing on the work of Mr. Dimitur Popov's cabinet. Under the heading "Government News" it reports about the decree adopted by the Council of Ministers on Saturday on selling state and municipal property by auction. "OTECHESTVEN VESTNIK" calls the decree the first step toward denationalization. It also reports that a project group with the government is outlining measures for the urgent privatization of filling stations in Bulgaria. Foreign oil companies will also be given access to the privatization.

Referring to the agreement that is expected to be signed today between the government, the trade unions and the employers "OTECHESTVEN VESTNIK" says that the International Monetary Fund's requirement to cut consumption by at least 30 per cent proved the most contentious issue. The Podkrepa Labour Confederation has introduced an alternative draft agreement and urges the government to reveal the current state of the country's finances.

First Private Station Begins Test Transmissions

AU0501160591 Paris AFP in English 1430 GMT 5 Jan 91

[Text] Sofia, Jan 5 (AFP)—The first Bulgarian private radio station, called Canal Com, has recently begun five hours of test transmission in the area of Plovdiv, several informed sources said here Saturday.

Plovdiv, the country's second biggest town, is in the south of Bulgaria.

The test broadcasts were only marketing information and advertisements, and it is believed that the station will not carry political news.

The radio station, led by a Bulgarian television journalist Zhivko Zhelev, has attracted interest from many Bulgarian private companies prepared to help finance it as soon as it has been registered officially, several of the companies concerned said.

Parliament has not yet approved a bill enabling the creation of private radio and television stations.

Meanwhile, since the beginning of the year, the Bulgarian BTA news agency has suspended publication of its political, scientific and cultural bulletins because of a shortage of paper.

Ruse's Industrial Plants Beset With Difficulties

AU0801110491 Sofia Domestic Service in Bulgarian 0900 GMT 8 Jan 91

[Text] The industrial enterprises of Ruse started their working year with major difficulties. The lack of supplies of raw materials, unclarified contractual relationships, and the energy crisis were the reasons that two-thirds of the enterprises in the city are starting work late and almost on a token basis.

The Gavril Genov Company is in particular difficulties; here the workers and specialists are hardly likely to take up their jobs before 4 February. The shortage of diesel fuel at the Heavy Machine Building Company, the largest in Ruse, has paralyzed transportation at the plant, which during the coming weeks will seriously affect the production process.

Life in the city is most effected by the problems at the Rhodopa Company and the meat plant, where no contracts for production have been concluded with the agricultural producers.

Specialists Say Water in Varna Drinkable

AU0501154191 Sofia Domestic Service in Bulgarian 1000 GMT 5 Jan 91

[Georgi Sreshtnikov report]

[Text] In connection with the rumors that the water in Burgas and Varna is not suitable for drinking, the specialists in Varna inform the public that the water from the city's central water supply to all the technical water storage districts satisfies public health requirements and can safely be used for drinking. The water is mainly obtained from the Devnya system of springs and water sources, and is tested daily. The specialists promise to inform the public about any changes in water quality.

Draft Declaration on BSP Responsibility

AU0501152491 Sofia BTA in English 1440 GMT 5 Jan 91

[Text] Sofia, January 5 (BTA)—A draft document with the working title "Declaration of the Supreme Council of the BSP [Bulgarian Socialist Party] on the Political Responsibility of the Party for the Crisis in Contemporary Bulgarian Society" reflects the opinion and the stands of the members of the BSP Supreme Council Commission on the Responsibility and the Culprits for the Crisis, the Socialists' daily "DUMA" reports today. The same issue carries an interview with Prof. Dr. Dimitur Ananiev, deputy chairman of the commission.

In its character the document is a political declaration rather than a specific historical study or a personified assessment, Prof. Ananiev says. It is similar to the documents which the Communist Parties in Czechoslovakia and Poland adopted at their latest congresses. "We seek to analyse the party's responsibility by levels and areas of work and not by periods," Prof. Ananiev says.

The document admits the doctrinal responsibility of the Communist Party for the immoral imposition of a social life model predefined as exemplary. It also admits the fact that the replacement of universal human ethics by a class and party-based morality has led to a confusion of the traditional notions of good and evil, or right and wrong, of honest and dishonest.

The draft outlines the Communist Party's responsibility for the country's imbalanced economic development, for the state of agriculture, for the condition of the environment, for the country's foreign debt and for the one-sided nature of its external relations which isolated Bulgaria from the world economy and from scientific and technological advances.

The draft declaration analyses in depth the party's responsibility for the ethnic policy and for the management of the cultural sphere. It takes into account the historical circumstances in which the party worked.

At the end of his interview Prof. Ananiev says that the commission is compiling an extensive report on the specific responsibility and guilt of the party bodies and functionaries.

Half Million Members Expected for BSP

AU0701140091 Sofia DUMA in Bulgarian 1 Jan 91 pp 1,2

[Interview with Nikolay Dobrev, "head of 'Organizational' Department of BSP Supreme Council," by Angel Bonev; date and place not given—"Party of Reformers Rather Than Mass Party" —first paragraph is DUMA introduction]

[Excerpt] How is the exchange of membership cards of the members of the Bulgarian Socialist Party [BSP] progressing? What is the state of reregistration in the various regions of the country? What is the BSP social membership? Nikolay Dobrev, head of the BSP Supreme Council "Organizational" Department, answers those questions.

[Bonev] How many members of the BSP were there at the end of 1990?

[Dobrev] Some 373,068 Socialists had confirmed their BSP membership by 28 December 1990. Some 199,982 received their new membership cards. The BSP maintains its position as the party with the largest membership in the country. It is a solid political organism, with cells in every settlement in our country. The party organizations in the small cities and rural areas maintained their previous membership almost completely. For example, this is the situation in Dimovo, Velingrad, Ruzhintsi, Ugurchin, Borovan, Strumyani, Boynitsa, Razlog, and so forth.

[Bonev] Where are you encountering difficulties in reregistration?

[Dobrev] In the big cities, where industrial enterprises and the accompanying administrative, educational, scientific-research, and social infrastructures are concentrated. Reregistration is encountering difficulties in Burgas, Veliko Turnovo, Plovdiv, and Ruse. I think that the main reason for this is related to the fact that no organizational-technical conditions for "relocating" the party organizations from the enterprises to places of residence have been created so far. The party aktiv was scattered, and in addition, the climate in the district organizations is not very "hospitable" toward younger members.

[Bonev] What is the situation in regions with acute ethnic and nationality problems?

[Dobrev] Despite the fact that the party organizational structures have been preserved, in these places some party organizations are on the point of becoming totally deserted. I can explain this by the lack of a clear party policy on the nationality issue and the lack of dialogue

between the BSP, the Movement for Rights and Freedoms, and the Fatherland Labor Party. Of course, the sociopsychological characteristics of the population in those regions also influence the situation.

[Bonev] Nevertheless, it is likely that BSP membership exceeds half a million.

[Dobrev] According to our forecast, the BSP membership should reach 470-520,000 members. Our information shows that in about 30 percent of the primary organizations reregistration has not yet begun or has only just started. This explains the low results in the municipal party organizations in Pomorie, Lyaskovets, Kostenets, Kazanluk, Petrich, and other towns. [passage omitted]

SDS Weekly Briefing, Government Form Discussed

AU0701181891 Sofia BTA in English 1724 GMT 7 Jan 91

[Text] Sofia, January 7 (BTA)—Republic or monarchy? The problem of Bulgaria's system of government was discussed today on a meeting of the Coordinating Council of the Union of Democratic Forces (SDS), the union's spokesman Mr. Mikhayl Nedelchev told the press. There are different views of the matter within the union. The SDS leadership says that for the time being the country needs the joint efforts of republicans and monarchists to walk the way to democracy. After that the question may be discussed in parliament.

As Mr. Nedelchev pointed out, these discussions were prompted by some recent press articles, arguing for or against the return of Bulgaria's exiled King Simeon II as well as by his high approval rating (42 per cent).

Today the Coordinating Council and all parties and organizations in the SDS reiterated their support for the union's representatives in Mr. Dimitur Popov's cabinet: Mr. Dimitur Ludzhev, Mr. Ivan Kostov and Mr. Ivan Pushkarov. The meeting was not attended by the leader of the Social Democratic Party, Dr. Petur Dertliev, who refused to sign the SDS declaration in support of Mr. Ludzhev, Mr. Kostov and Mr.Pushkarov last week. At present all three SDS ministers are members of no political parties, now that Mr. Ivan Pushkarov was expelled from the Social Democratic Party on December 28, 1990. The SDS considers the emerging conflict between Mr. Dertliev and Mr. Pushkarov an intraparty problem.

SDS Leader Dimitrov Speaks on New Elections

AU0701214691 Sofia Domestic Service in Bulgarian 2100 GMT 7 Jan 91

[Text] National Assembly deputies from the Union of Democratic Forces [SDS] and other representatives of the opposition met SDS members and supporters and [word indistinct] (?citizens) tonight. Filip Dimitrov, chairman of the SDS Coordinating Council, was also present.

Deputies from various parties within the SDS and their representatives discussed various problems related to the recently signed agreement of political forces on the work of the Grand National Assembly and of the SDS parliamentary group on the nationality question.

The SDS leader pointed out that the present political situation in the country requires new parliamentary elections. He dwelled on the role of the economic reform envisaged by the new cabinet headed by Dimitur Popov and on the tasks of the provisional local governments.

Prime Minister Meets French Party Officials

AU0701212391 Sofia BTA in English 2000 GMT 7 Jan 91

[Text] Sofia, January 7 (BTA)—Mr. Dimitur Popov, chairman of the Council of Ministers, today received Mr. Pierre Guidoni, national secretary of the French Socialist Party, and Mr. Gerard Colomb of the board of the Jean Jaures Foundation.

Mr. Guidoni emphasized that Bulgaria could be included into the future European confederation (an idea promoted by President Mitterrand) after the implementation of an economic reform which would encourage French businessmen to invest in Bulgaria.

New Bill Offers Foreign Investors Liberal Terms

AU0501191191 Sofia BTA in English 1815 GMT 5 Jan 91

[Text] Sofia, January 5 (BTA)—The bill which the government will introduce in parliament in the near future, will provide maximum liberal terms for foreign investment in Bulgaria, Mr. Ivan Pushkarov, minister of industry, trade and services, told the BTA.

He recalled that even the "inadequate" legislation now in effect does not set a limit on the stake which foreign natural and juristic persons may have in a business operating in Bulgaria. Such businesses can be even wholly owned by foreign investors.

"Of course, we do take into account national interests," the minister said, adding that the bill will not allow foreign nationals to buy land in Bulgaria. Even at this stage, though, they can build and operate production capacities, warehouses etc. on very liberal terms.

Foreign investors will be able to repatriate their profits under just as relaxed conditions, according to the minister. The process of making the Bulgarian lev a convertible currency will largely take the edge off the profit repatriation problem. In this connection, the minister said the government was determined to go ahead with its policy of opening up the Bulgarian economy and of integrating the country into the key institutions of the international financial community.

At its meeting today the Council of Ministers reconsidered Decree No. 56, the key statutory act regulating business activity now. The idea is to remove the bureaucratic barriers which stand in the way of business enterprise.

EC Grants Humanitarian Aid to Nation

AU0701145991 Sofia BTA in English 1415 GMT 7 Jan 91

["201 Tons of Urgent Humanitarian Aid for Bulgaria: Foodstuffs and Medicines"—BTA headline]

[Text] Brussels, January 7 (BTA corr.)—Today the EC Commission's spokesman specified the quotas of the first lots of humanitarian aid for the Soviet Union, Bulgaria and Romania the shipment of which started at the end of last year. Bulgaria will be granted 700,000 Ecu.

In goods that is equal to 201 tons: 158 tons of foodstuffs and 43 tons of medicines and small medical equipment. The spokesman said they are destined mainly for Sofia and other big cities. The EC experts have calculated that the 158 tons of food are enough to feed 60,000 people for a month.

Rychetsky Remarks on 7 Jan Government Session

LD0701231991 Prague Domestic Service in Czech 2030 GMT 7 Jan 91

[Remarks by Pavel Rychetsky, CSFR deputy federal prime minister, following the Federal Government's extraordinary session in Prague on 7 January—recorded]

[Text] The Federal Government at its extraordinary session today discussed a bill on the powers of the federal central bodies of state administration.

I would like to stress that it was the first, truly working session and that what we discussed was the first working version. The essence is that what had been adopted by the Federal Assembly as the result of a four months' period when the powers of the federation and the republics in the sphere of executive power were being newly defined has to be reflected by a new law on powers.

The Federal Government is well aware of the fact that a number of executive powers were transfered from the federation to the republics. This fact has to be reflected on several levels. Above all it has of course to assume the form of a new legal amendment. Consideration was also given to whether it will be necessary to change the structure of central bodies of state administration on the level of the federation. The Federal Government reached a conclusion that it will be necessary to reduce the total number of these bodies and that the new bill will be based on the assumption that we are not going to have the Ministry for Strategic Planning anymore. We are going to present to the Federal Assembly a proposal that the powers of this ministry are transferred to the Ministry of Economic Affairs. This is a logical step because of the level of the management of economy the federation is not going to preserve any powers and therefore the two ministries' powers are now clearly overlapping. In theory it will also be possible to consider whether other central bodies of the state administration or Ministries should not also be merged.

Nevertheless, it is necessary to realize that the Federal Government is not only the supreme body of executive power in the federation but that it is also a political body—that government members are representatives of a certain parliamentary coalition, that they are representatives of state for the outside world and therefore we cannot take the path of a total reduction of the government to some very small number of members.

On the contrary, we must go another way, and that was also discussed by the Federal Government. Above all we must make a marked reduction in the number of employees at ministries. However, the Federal Government does not consider the overall approach of the past to be rational. That means it has not adopted a resolution on a reduction of numbers of employees by 10 or 15 percent. On the contrary it has adopted a resolution in which it instructs all members of the Federal Government who head the central program of state administration to themselves evaluate the needs under the new constitutional conditions for professional officials at the ministries so that in three or four months the government can be informed of this process and evaluate whether it was sufficient.

Another step which we have adopted is to put forward a proposal for the aboliton of the Czechoslovak Commission for Atomic Energy as an independent central organ of state administration, because the Federal Assembly unequivocally decided that in the area of energy all powers lie with the republics, in particular concerning state administration and executive power, and the federation is only concerned with the administration and technical supervision in the area of supervising the safety of nuclear power stations, and these are powers wich can be transferred to the Federal Committee for the Environment and in the form of an independant organ, a sort of inspectorate.

In summary then, there is a reduction in the organs of state administration, or rather a proposal for a reduction. The Federal Assembly has the final word. There is a reduction or should be a reduction in the number of employees in the organs of state administration and the third problem remained to be evaluated, that is how to divide the powers between the individual organs of state administration.

Two approaches are possible. The first is simple. Basically, simply present a proposal that would allocate that which was decided by the Federal Assembly in the constitutional law to individual central organs. Because both republics selected the opposite approach and have already presented it to the National Councils which have approved the powers bills of the republics, which on the contrary attempt to specify and outline these powers in detail, the Federal Government decided to take the same approach. We can say that now after comparing the national powers bill it will attempt to specify the constitutional division of powers in such a way as to prevent any possible conflict about powers, so that everything is divided into the necessary details.

We are aware of the fact that this is not easy work, and at the same time we know that it will not last long. We should already this year have new constitutions which will in fact negate our work because it is possible that they will bring a completely new system. We are of the opinion, however, that just because of this reason we cannot not undertake the necessary legal changes and on the contrary we will be pleased if the quality of the new legal changes in fact enables us to foresee the future constitutional state so that there are no marked changes.

The next point on the agenda of today's session of the Federal Government was discussion of the questions of the fears of influence and powers of the federation in the area of the mass media, and concretely in the area of television broadcasts and radio. Here I must say that the standpoint of the Federal Government is quite clear, without contradiction, and at the same time slightly

different from the standpoint taken up by the governments of both republics. In our view it would be literally undignified if there was to be any draft government bill worked out and presented which would limit or set out what the federal media were allowed to broadcast. The idea that it will be set out by law that the federal television can only broadcast something that falls within the powers of the federal organs, for example defense or foreign policy, and that all other areas whether this concerns broadcasts in culture or entertainment are exclusively allocated by law to only national televisions—we consider [this idea] to be quite contrary to the principles of the freedom of the media. We are of the opinion that it is necessary to secure as soon as possible pluralism in the area of dissemination of information, and limitations by law in the area of the content of broadcasts should be motivated in one area: the protection of morality, public order, and the protection of some general values—but not by setting a limit on what can be done by the state federal media or the state republic media.

We are of the opinion that any broadcasting medium must have the widest possible field of free activity and that the legal regulations should only set the minimal limits which correspond to the European standard.

Government Discusses Division of Powers

LD0701222891 Prague CTK in English 2114 GMT 7 Jan 91

[Text] Prague Jan 7 (CTK)—The Czechoslovak Government today discussed the division of powers between federal ministries and other state administration bodies in the light of the new situation created by the amended constitutional law on the Czechoslovak federation passed December 12, 1990.

The ministers concluded that though strategic planning is necessary, it requires no central state body. Therefore, the functions of the present Federal Ministry for Strategic Planning can be passed over to the Federal Economics Ministry and some other coordinating bodies, assistant spokesman Zbynek Fiala said. On the contrary, the powers of the Federal Committee for the Environment will be expanded to embrace also nuclear safety supervision.

Newly created would be a Federal Office for Economic Competition, to be based probably in Bratislava.

Agriculture will continue to be under the jurisdiction of the Federal Economics Ministry, Fiala said.

Poll Says Public Followed Power-Sharing Talks

AU0701150191 Prague CTK in English 1456 GMT 4 Jan 91

[Text] Prague Jan 4 (CTK)—Three-quarters of Czechoslovak inhabitants aged over 15 followed federal and national governments talks on power-sharing at the end of 1990, reports the Institute on Public Opinion Research here today.

According to the poll 54 percent of Czechs are of the opinion that the Federal Government's activities have a stabilizing effect on the federation, while 69 percent ascribe attempts at weakening the federation to the Slovak Government.

The most frequent opinion in Slovakia was on the contrary that the Slovak Government was contributing to the maintaining of the federation (39 percent) and that it was the Federal Government who was weakening the federation (43 percent).

The Czechs have most often presented their attitude as that strengthening the federation, the stand of the Slovaks, on the contrary, as a weakening factor.

The Slovaks in their turn meant that both the Czechs and Slovaks were weakening the functioning of the Czechoslovak federation. Only a small part meant that the public as a whole contributed by its stands to the maintaining of the federation and they gave the merits for that rather to the Slovaks.

Survey Finds Havel 'Most Trusted Politician'

AU0701151191 Prague CTK in English 1708 GMT 3 Jan 91

[Text] Prague January 3 (CTK)—According to a public opinion poll conducted here in September, November, and December 1990, President Vaclav Havel continues to be the most trusted politician in Czechoslovakia, while Federal Finance Minister Vaclav Klaus ranks at the other end of the scale as the politician people trust least.

After Havel, Chairperson of the Federal Assembly Alexander Dubcek and Slovak Prime Minister Vladimir Meciar occupied, respectively, second and third place in September, while in both November and December Meciar and Klaus were tied for second.

These rankings are the result of a survey of approximately 700 citizens in Czechoslovakia, performed by the Institute for Public Opinion Research here in Prague.

Trailing Klaus as the next to least trusted politician in the country were communist deputy and former party First Secretary Vasil Mohorita in September and November, and Meciar in December. Third place belonged to Slovak Deputy Prime Minister and Christian Democratic leader Jan Carnogursky and former head of the Slovak National Party Vitazoslav Moric.

Results differed between the Czech and Slovak Republics as Havel again was ranked as the most trustworthy politician in the Czech Republic, followed by Klaus and, tied for third, Federal Prime Minister Marian Calfa and Czech Prime Minister Petr Pithart. Mohorita and Meciar came out as the least trusted, demonstrating that

citizens of the Czech Republic are not pleased by the hard-hitting style with which the Slovak Prime Minister has defended Slovak interests in the last four months.

In the Slovak Republic, on the other hand, Meciar ranks number one on the list of most trusted politicians, followed by Havel and Dubcek, who is also Slovak, in all three months. Consistently named as the least trustworthy by Slovaks in the same period was Federal Finance Minister Klaus, followed by Carnogursky. In fact the survey shows that Klaus's lack of popularity increased from September to December.

Presidential Official Denies Havel Illness

LD0701180691 Budapest Domestic Service in Hungarian 1700 GMT 7 Jan 91

[Text] [Announcer] A Prague newspaper this morning reported that Czechoslovak President Vaclav Havel is seriously ill. Is the report true? Evelyn Forro reports from Prague.

[Forro] President Havel is not ill; he is only resting on the advice of his doctors, an official from the press department of the President's Office said in reply to a question from Hungarian Radio. He firmly denied that Havel might be ill, but he admitted that the president ought to have worked today. However, his doctors said he needs another week of rest. The president underwent hernia surgery last spring, but it is not probable that the matter is related to this.

They are not willing to reply to my question of where the president was resting—according to my information from Czech official sources not far away from Prague. They also would not say how the president's program would shape up. However, it appears certain that he will take part in the Hungarian-Czechoslovak-Polish summit planned for next week in Visegrad. Contrary to preliminary plans, however, he will not be in Dunaszerdahely [Dunajska Stredal] on 12 January at the international conference at which liberalism and human rights will be discussed, and of which he is the main patron.

Medical Leave To End 12 Jan

LD0701182991 Prague Domestic Service in Czech 1730 GMT 7 Jan 91

[Text] The Office of the President of the Republic announced that the medical leave of the Republic President Vaclav Havel will end on 12 January. It further stated that this is quite a usual thing that had been planned for a long time and was not evoked by an acute need or a sudden change of the president's state of health. The place where Vaclav Havel is staying at present is still kept as a secret.

Former Secret Police Agents Still Active

LD0701201291 Prague CTK in English 1831 GMT 7 Jan 91

[Text] Prague Jan 7 (CTK)—Some of the former secret collaborators of the dismantled secret policy (StB) are still active in Czechoslovakia's public life, Czechoslovak parliament Deputy Stanislav Devaty said in an interview granted to CTK today.

Stanislav Devaty, who represents the Civic Forum [OF], the strongest political force in the Czech lands, is a member of the parliamentary commission investigating the circumstances of the November 1989 events which resulted in the fall of the communist regime in Czechoslovakia. He said that the commission pushes for the publication of a list of the StB agents who were active even within the dissident movement. He mentioned, for instance, StB member Stanislav Zifcak who, assuming the name of Ruzicka, initiated still before the November revolution the foundation of the so-called Independent Student Association.

The commission of investigation has received from the Interior Ministry so-called registers of files listing all secret StB collaborators and informers since the 1950's. According to Devaty, the data are reliable since no one could be registered as a collaborator without his consent.

Devaty justified the necessity of publishing the lists of agents especially because "not all have reconciled themselves to the fall of the communist regime and still dream of totalitarian power."

The commission of investigation has ample knowledge that ex-StB collaborators still maintain contacts with their superiors and some of them are forced to the meetings on the basis of compromising material kept by StB officers, Devaty said. He added that "the abuse of these people for steps against the emerging democracy can be stopped and ruled out only if the list of secret StB collaborators and informers is made public."

According to Devaty, many StB secret collaborators penetrated into various strike committees (set up in November 1989 to organize a general strike against the communist regime), in the OF, in its sister movement in Slovakia—Public Against Violence [VPN], as well as in other parties and movements. Some have come into being even on their initiative, Devaty added.

Stanislav Devaty told CTK that many of the compromising StB documents have not been destroyed as asserted by members of this former powerful political police, but are now most probably abroad. He did not specify the country where they could be deposited.

The publication of the list of StB secret agents, who are estimated to total some 140,000, was opposed on Saturday by Czech Minister of the Interior Tomas Sokol who warned that this would lead to "physical attacks, errors, a virtual massacre of St Bartholomew", and recommended that the former StB agents who hold

public and political posts be allowed to "depart voluntarily and in silence" so that their families do not suffer.

The question whether the lists of StB agents will be published will be probably decided by Czechoslovak parliament before the end of January.

Klaus Interviewed on Carrying Out Economic Reform

AU0801125791 Prague LIDOVE NOVINY in Czech 2 Jan 91 pp 1,2

[Interview with CSFR Finance Minister Vaclav Klaus by Karel Kriz and Josef Kotrba; place and date not given: "Economy Without a Rehearsal"—first paragraph is LIDOVE NOVINY introduction]

[Text] Economic reform has been a subject of discussions, hopes, fears and worries for almost a year. Despite the fact that the reform has been described many times, a lot of people do not have a clear idea what is involved. This is certainly a good reason for asking the most competent person, Finance Minister Vaclav Klaus, a few questions.

[LIDOVE NOVINY] There have been a lot of speculation recently whether we will carry out the economic reform properly this time. We worry about a few things. For example, what does the liberalization of foreign trade mean?

[Klaus] The liberalization of foreign trade is really only a liberalization and nothing else.

[LIDOVE NOVINY] It is a form of permission, then. Can we go to Germany, buy goods there, and import them?

[Klaus] What permission? No one needs anything like that! Everyone who is recorded in the register of companies can trade. However, foreign currency can be bought only for business purposes, not for export to foreign banks. One will be able to import if one has money—korunas or hard currency. If one has korunas, he, as an entrepreneur, can exchange them in the bank and then he can import. Period. Export is slightly more complicated. In some cases you will need a license to export. This license is issued by the Federal Ministry of Foreign Trade. This does not mean at all that exports are not allowed. This means that, to not disturb economic cooperation between manufacturers, some manufacturers—and I stress this: some manufactures— will be required to have this license. In no instance does this apply to finished products, only to certain sorts of raw material and semifinished products. Similar provisions were in force in many Western countries 20 to 30 years after the war. We do not want to be holier than the pope.

[LIDOVE NOVINY] Can our state, or the State Bank, afford it?

[Klaus] This is why we have devaluated the koruna once again. We want to limit the demand for convertible currency in yet another manner: by introducing a 20-percent markup on imports. Tourists, as you know, will be allowed to buy foreign currency for only 5,000 korunas per person next year.

[LIDOVE NOVINY] This does not sound too liberal, compared to Poland....

[Klaus] I have the feeling that 5,000 korunas will not be that little next year. The savings of the public amount to 300 billion korunas and we do not know what people will do with this money. This is why we are looking for some curbing mechanisms.

[LIDOVE NOVINY] Any curbing mechanism will only increase the hunger for convertible currency even m[illegible] Illegal money changers will be able to continue the[illegible] work and the entire limit will be ineffective....

[Klaus] Yes and no. After all, if everything goes alright, then we are willing to abolish this limit.

[LIDOVE NOVINY] Our gross debt abroad rose from $7.6 to 11 billion. Is that not too soon? We are just starting privatization.

[Klaus] We need some money to start the reform. If we were unable to compensate for short-term variations in the conversion rate we could be in a stalemate. In any case, money must be neutral in the sense of the reform. That is, it must be used for macroeconomic stabilization policy and not for various industrial projects in a non-privatized economy. This would be a waste of money.

[LIDOVE NOVINY] Much is being said about the forthcoming price regulation. When a private entrepreneur begins manufacturing something, must he immediately hurry up and run to the price office?

[Klaus] Not at all. The law on prices is being completely misinterpreted. This law, in fact, is a law on the liberalization of prices, and it says, in addition to other things, that in some emergency situations a state regulation of prices may be imposed. In this transitional period we have to have some control, this does not mean, however, that we must use, or even abuse it. Price regulation is one of the few tools that we must keep. In your opinion we should have put only three words in the law on prices: Prices are free, and that is it. If the law contains something on price regulation, then it seems this is the most important feature of the law. The importance attributed to price regulation does not correspond to the number of lines devoted to this subject in this law.

[LIDOVE NOVINY] Last week we could have read that regulation will be implemented. What is true, then?

[Klaus] Yes, we will regulate prices. As you certainly know, we have established three types of regulations—maximum prices, the obligation to report price increase, and a price increase that is allowed only when manufacturing costs increase. Each type of regulation pertains to only a limited number of items. We want to slow price movements, not to block them. We want the prices to go

where the market pushes them. The issue is that prices should move in a thick soup, not in a vacuum.

[LIDOVE NOVINY] You are known as a proponent of economic liberalism. Why, all of a sudden, such a great mistrust in the self regulatory capabilities of the market?

[Klaus] This has nothing to do with my liberal or nonliberal point of view. I am simply afraid that enterprises could fix completely unrealistic prices in the first days and weeks of the reform, which could put the inflationary spiral into motion and which would block all positive processes in the economy. At the beginning, not everyone will understand the rules of the game. This is why I am afraid of short-term inflation and of an inflationary spiral, that is, the spiral caused by the growth of wages and prices, and the spiral caused by the relation between the exchange rate and prices.

[LIDOVE NOVINY] Let us return, for a moment, to the exchange rate—the second type of spiral. In Poland, they used a firm conversion rate as a sort of anchor, by which they curbed inflation and stabilized the level of prices.

[Klaus] I believe that experience gained in other countries cannot be simply projected onto our conditions. When talking about Poland we must realize that inflation in Poland reached 1,000 percent in the spring of 1989, they used a curbing mechanism, and they brought it down to 30 percent. However, this is completely different from our situation where we have a 10-percent inflation in this country. We cannot use the same curbing mechanism which is suited to curb a 30-percent inflation [as published]. There is a very subtle theoretical consideration behind all this, but let us not deal with it now. I have to repeat that there is a significant difference. In each situation there are completely different forces at work and I am afraid of them. This is why I am a little cautious.

[LIDOVE NOVINY] In Poland and Hungary they have, in fact, world prices. When will this be our case? In four years?

[Klaus] When speaking of world prices we do not have in mind the absolute level of prices, but relations between prices. I do not think that it will take us four years to get there and that we have to go through a hyperinflation. The price level does not have to grow more than a few tens of percent to achieve these relations.

[LIDOVE NOVINY] Before we conclude this interview: What about subsidies? I believe, they were not much reduced last year.

[Klaus] The situation is clear: We cannot afford any subsidies any more.

[LIDOVE NOVINY] The reform will be no picnic. It will require great determination.

[Klaus] Certainly. We are going to carry out the reform without a rehearsal.

Dienstbier Cited on Cooperation With Gulf States

LD0701203891 Prague Federal 1 Television Network in Czech 1830 GMT 7 Jan 91

[Interview with CSFR Foreign Minister Jiri Dienstbier by unidentified reporter—place and date not given; recorded]

[Text] [Reporter] You went to Saudi Arabia at a time when diplomatic relations do not exist between the two countries, although there are considerable expectations of future cooperation. In what areas did you make progress?

[Dienstbier] I would say that this whole trip was a bit of an adventure, probably the most adventurous of all the trips we have undertaken so far, because it was in fact a journey into unchartered terrain or terrain of which we know very little. Because we have received certain signals that cooperation could be possible, particularly following the sending of our [antichemical weapons] unit to Saudi Arabia, we undertook this journey earlier so that it [cooperation] could take place if possible before something breaks out there. Nevertheless, we hope that it will be possible to avert it in some way, naturally on the basis of quite fundamental principles. Saddam Husayn simply has to withdraw from Kuwait or he must be driven out of it. This naturally means that the possibility of discussing some bilateral matters has to be postponed. But on the other hand, just the presence of our unit there creates great opportunities for us. All the countries we have visited, Saudi Arabia, Oman, and the United Arab Emirates highly appreciate this and all their leading representatives said that they will never forget this gesture of friendship.

[Reporter] As far as I know it is possible, or there is a promise of the investment of their capital in our country and also the opening up of the market for our products in this area.

[Dienstbier] I think that this whole area is of exceptional interest for us. It was neglected in the past, but I think there are very few areas which are so favorable for cooperation and economic cooperation and even financial cooperation. I will say right away that there is interest there in many of our things, for example supplies of some technology for the army, various transporters, and other similar equipment. There is also great interest in what is being demonstrated by our unit in Saudi Arabia, the technology and equipment which it has. There is interest in the whole area for our specialists, both military and civilian and I think that there may also be a great opportunity there for our engineers and technicians who could find work there. There is also great interest on the part of local capital in Central Europe. We must be aware that this area is in fact the greatest exporter of capital in the world. And so far Central and Eastern Europe has been completely outside the framework of their interests. The problem is that not only do they not know our concrete situation but they are not sure whether the political development in this area

will be stable. They are monitoring various signals in these countries which they take much more seriously than the reality, probably because of their lack of knowledge about the area.

Kuwaiti Ambassador Addresses Friendship Rally

LD0701213191 Prague CTK in English 2036 GMT 7 Jan 91

[Text] Prague January 7 (CTK)—Participants at a protest gathering against Iraq's occupation of Kuwait, organised by the Czechoslovak-Kuwaiti Society, were greeted here today with a request to sign leaflets exclaiming "Saddam, out of Kuwait."

Attending the gathering were Czechoslovak Deputy Foreign Affairs Minister Martin Palous and Kuwaiti Ambassador to Czechoslovakia Musa Sulayman al-Musa al-Sayf, as well as diplomatic representatives from the countries of the Persian Gulf and Czechoslovak citizens who have worked in Kuwait.

In a speech thanking the Czechoslovak people and their political representatives for their stance toward the invasion, the Kuwaiti ambassador drew a parallel between the occupation of Kuwait and the occupations of Czechoslovakia by Nazi Germany in 1939 and by the Soviet Union in 1968. He emphasised that the people of Kuwait do not approve of Saddam Husayn's acts being met with any kind of concessions.

The Czechoslovak-Kuwaiti Society, with chapters in Prague and Bratislava, was established at the joint initiative of the ambassador from Kuwait and Czechoslovak citizens who have worked in the country at the end of last year.

Deputy Foreign Affairs Minister Palous shared impressions from his recent trip to the countries of the Arab peninsula, saying the injustice inflicted on the Kuwait nation by the Iraqi regime must be rejected and that people must do everything in their power to oppose it. War is the only possibility if the crisis cannot be solved any other way, said Palous.

Referring to a conversation he had with soldiers of the Czechoslovak anti-chemical unit in Saudi Arabia, Palous said none of them want to return home unless they have helped the occupied State of Kuwait.

Participants in the gathering listened to a letter from the children of Kuwait addressed to children of the world and looked at documentary photos taken shortly after the invasion.

Citizens Oppose Returning Sudeten German Property

AU0701150391 Prague CTK in English 1535 GMT 4 Jan 91

[Text] Prague Dec 4 (CTK)—Seventy percent Czechoslovak citizens think that the property of the Germans transferred from Czechoslovakia after World War II should not be restituted to them and they should not be compensated for it either, a poll conducted by the Public Opinion Research Institute at the beginning of December 1990 showed.

Only four percent of the 743 respondents over 15 favored return of the property, 11 percent supported financial compensation, while 15 percent gave a different reply or did not know.

Negative stands to the restitution or compensation were more frequent in the Czech Republic, and especially in the territory of the former Sudeten. Only one percent of respondents in the region gave an affirmative reply.

According to the institute, the negative stands were not motivated by fears of the respondents' own property since only seven percent Czechoslovak citizens own real estate which would could be restituted. In the former Sudeten the percentage is higher 23. [sentence as received]

A mere three percent of those polled think that the Czechoslovak Government will make a decision on the German property restitution. In the Czech Republic, a majority of people think that the government will reject the Sudeten Germans' demand, while in Slovakia this view is taken by only one-third.

Deputy Minister on Association Treaty With EC

AU0801105291 Prague SVOBODNE SLOVO in Czech 2 Jan 91, p 2

[CTK report on interview with CSFR Deputy Foreign Minister Zdenko Pirek: "Entering Europe"]

[Text] Czechoslovakia opened talks with European Communities in Brussels in the last days of the previous year. A new type of treaty will be concluded—the Association Treaty, also called the European Treaty. During the talks, the head of the Czechoslovak delegation, Zdenko Pirek, stressed in an interview with a CTK reporter in Brussels that the treaty on joining the European Community is not a goal in itself, but a means for the adaptation of Czechoslovakia to the conditions prevailing in the European Communities.

The treaty will be concluded with all three communities —the European Economic Community, the Community for Coal and Steel, and the Community for Nuclear Energy.

The new feature of the treaties will be that they promote political dialogue between the two parties. The communities have ranked Czechoslovakia among the group of the so-called like-minded countries. This means that Czechoslovakia will have an opportunity to be informed about the political cooperation of the Twelve. Based on the association treaty, it will be possible to coordinate Czechoslovak foreign policy with the foreign policy of the European Community.

The association treaties will comprise all spheres of economic cooperation—from cooperation in industry, agriculture, science and technology, standards, transportation, telecommunications, power production, and protection of the environment up to technological, financial, and cultural cooperation. The questions related to intellectual property, social problems, and cooperation in culture and legislature will also be included. In the sphere of financial cooperation, the issue will be the utilization of European Community resources, including the European Investment Bank, for the support of the economic reform and structural changes in the Czechoslovak economy.

One of the main objectives of the treaty will be to gradually create the zone of free trade that will enable the free movement of not only goods but of persons, services, and capital as well. This goal will be approached by stages. The issue is, of course, the asymmetry, which is disadvantageous for the joining country.

The important point in the treaty will be the fact that the cooperation will be institutionalized. The Council of the Association will become the highest controlling organ that will meet at the level of ministers once a year. It will be the main organ in which a political dialogue will be held, and which will supervise and determine whether existing provisions have been met and will recommend new provisions to make sure the mutual relations function properly.

The Committee of the Association will represent a sort of executive organ whose task will be to prepare the meetings of the council, new recommendations, and political dialogue. A consultative organ—a parliamentary committee—will be entrusted with cooperation and contacts between the CSFR Federal Assembly and European parliament

The Association Treaty is of a completely new quality. It differs from previous association treaties, concluded by communities twenty years ago. The main difference is that political dialogue has been included. The treaty will also be a preparation for a full integration of Czechoslovakia into the European Community.

The technical preparation of the treaty will start in the first day of the new year. To conclude the treaty as soon as possible, official talks and activities in the individual working groups are expected to continue in February.

Citizens Need Convertible Currency for Travel

AU0701142891 Bratislava NARODNA OBRODA in Slovak 3 Jan 91 p 2

[CTK report: "For Convertible Currency"]

[Text] Prague (CTK)—The Federal Ministry of Finance and the Czechoslovak State Bank announce that Czechoslovak citizens traveling on business or for pleasure to the former CEMA countries, Albania, or Democratic People's Republic of Korea can only be provided with foreign money in one of the convertible currencies. Therefore, as of 31 December 1990, the Czechoslovak State Bank terminated sales of the following national currencies: rubles, leva, tugriks, zlotys, lei, pesos, dongs, wons, leks, and National Bank of Yugoslavia traveler cheques. As of 14 January, convertible currency will be sold also for travel to these countries, and up to the value of 2,000 korunas, and it will be deducted from the approved annual limit of 5,000 korunas. HOSPODARSKE NOVINY today publishes a survey of expense allowances and limits for business travel.

Purchased and unused unconvertible foreign currency will be repurchased from Czechoslovak citizens by currency exchanges until 11 January at the latest. Czechoslovak citizens can still purchase forints for travel to Hungary.

Moldan Accused of Cooperation With Security Body

LD0701174291 Prague Domestic Service in Slovak 1600 GMT 7 Jan 91

[Text] Petr Prihoda, press spokesman for the prime minister of the Czech Government, today provided the Czechoslovak Press Agency with information about Czech Minister of Environment Bedrich Moldan's case.

According to the spokesman, before the Christmas holidays, on the basis of a report from the Federal Ministry of Interior, Czech Government Prime Minister Petr Pithart informed Minister Bedrich Moldan about a report on his cooperation with the StB [state security]. Moldan did not deny it, but made light of it. Following a short discussion, Minister Moldan wrote a draft of his resignation statement. Nevertheless, he took it away saying that he would revise it. The next day he made a statement of honor before the Czech Government presidium, saying that he was going to resign on 2 January for health reasons. Because he did not do so, on 3 January Prime Minister Pithart asked the Czech National Council's screening committee to investigate this case.

Today the prime minister asked Minister Moldan to take leave until the affair is cleared up.

Regional Congresses View OF's Political Future

AU0801125291 Prague CTK in English 1620 GMT 5 Jan 91

[Text] Prague Jan 5 (CTK)—The controversial issue of the political orientation and the structure of the Civic Forum (OF), the most influential political force in the Czech Republic, was discussed at several regional OF congresses today.

The final answer is to be given by the OF congress to be held next Saturday.

At the session in Prague where the OF scored a convincing victory in both the parliamentary and local elections, Czechoslovak Deputy Prime Minister Pavel

Rychetsky emphasized the need to overcome the current differentiation within the movement and "maintain what we have started." He said the whole political spectrum, from the Christian parties to the left, decided to attack the OF whilst using cheap social demagogy and populist arguments, and warned that unless the OF overcomes the process of "divisions and splits," the implementation of the just started radical economic reform cannot be ensured.

Rychetsky, a leading representative of the OF Liberal Club, thus reacted to rebukes by some delegates that this centrist grouping contributes towards the movement's split. At the previous congress last October the majority of delegates decided in favor of the right-wing orientation of the OF and elected the architect of the economic reform Vaclav Klaus its chairman. The Liberal Club, set up last December, seeks to maintain the OF as a grouping of different streams of opinion. Rychetsky pointed out that a confirmation of the right-wing orientation of the movement by next Saturday's congress would have grave consequences. Eight of the ten Federal Government ministers for the OF are members of the Liberal Club and would thus be pushed outside the OF ranks.

OF Chairman Vaclav Klaus pointed out at the OF congress in Prague today that the political differences in the movement are "infinitely deep and it would be absolutely false if we hid our heads in the sand."

At the congress Klaus argued with Liberal Club representative Pavel Rychetsky over his alleged minimization of the differences in the OF.

Klaus questioned the opinion that intellectuals and artists were leaving the movement, and said its main allies were in particular young people, inhabitants of smaller towns, as well as artists and intellectuals and the OF must maintain the closest possible contacts with them and in no case allow them "to disappear from the OF and come under the wings of some political parties."

Party Comments on Discrimination Against Moravians

AU0701150991 Prague CTK in English 1458 GMT 3 Jan 91

[Text] Brno, Moravia, Jan 3 (CTK)—The Movement for Autonomous Democracy-Society for Moravia and Silesia says that this region, making up about one-fifth of Czechoslovak territory, is discriminated against in the new economic rules which came into force in the country this weekend.

Chairman of the movement Boleslav Barta told a press conference here today that the conditions are very bad for Moravia and Silesia at the outset of the economic reform under the budget approved by the Czech National Council (parliament) at the end of last year. He described a new regional division of the country, which would give greater autonomy to Moravia and Silesia, as essential for the start and functioning of the economic reform.

Representatives of the party said that the region is some 2,500 million korunas below the Czech Republic's average in regional money supply. Although the inhabitants of Moravia and Silesia account for 39.2 percent of the population of the Czech Republic, they received 25.5 percent of industrial subsidies and 35.5 percent of contributions for the operation of nonprofit establishments and 34.8 percent of subsidies to housing, modernization, and heating. Its share of taxes and subsidies this year is 31.6 percent and of health care projects 16.2 percent.

Calls for some degree of self-government for Moravia, the central part of Czechoslovakia, have been made to a greater or lesser extent since Czechoslovakia started to turn towards democracy at the end of 1989. Moravia was a margravate in the Middle Ages and had an autonomous status until the late 1940's when it was abolished by the communist government.

Czech Trade Unions Refuse To Sign Agreement

AU0701203891 Prague SVOBODNE SLOVO in Czech 5 Jan 91 p 4

[Unattributed report: "Trade Unions Have Not Signed"]

[Text] V. Petrus, chairman of the Czech-Moravian Chamber of Trade Unions, told journalists after yesterday's session of the Council of Social Accord of the Czech Republic in Prague that representatives of trade unions are unable to sign the general agreement of the Czech tripartite commission due to the unclear economic status of enterprises and entrepreneurs, caused, in particular, by the unresolved problem of enterprise debts and of state credit policy toward enterprises. Another and no less important reason is the trade unions' disagreement with the proposed minimum gross wages of 1,850 korunas a month. The trade unions demand minimum gross wages of 2,350 korunas and an extreme limit of 2,100 korunas. Chairman V. Petrus described as another substantial factor that has delayed the signing of the general treaty the fact that the maximum prices of staple foods had not been discussed with the trade unions. Moreover, these maximum prices are not being observed and there exist no legislative measures for punishing their nonobservance. "We are in favor of belt-tightening," V. Petrus said, "but some social groups must not be forced to live in misery."

Slovaks Complain of Bias in Federal Television

AU0701155291

[Editorial Report] Slovak papers on 2 and 3 January publish three items that claim that the federal television network has recently carried material that is anti-Slovak and offensive to Slovaks.

Bratislava NARODNA OBRODA in Slovak on 2 January page 2, under the headline "M-Session Offended," publishes a 150-word report on an open letter sent by S. Kalinec, deputy chairman of the Slovak National Party [SNS], to the director of the Czech and Slovak Television's Federal Station F1, in which he demands "an apology to all Slovaks for the program 'M-Session, or an Evening for All Young People,' which was broadcast on 27 December 1990 at 2000." He is reported as asking for a guarantee that a similar program "offending the dignity of any person bearing a Slovak heart and soul" is never again broadcast.

Bratislava NARODNA OBRODA in Slovak on 3 January on page 2, under the headline "Czech Experts on Slovak Stupidity," publishes a 550-word commentary by Marius Kopcsay in which he addresses Czech actors Simek and Krampol, whose "Prague" nationalism displayed in a recent unnamed television program he says he finds offensive. Kopcsay says he does not consider it funny when "comments by serious politicians are intermingled with battle cries of nationalist leaders" or when the demands by Slovak politicians are satirized. He concludes his "review" with the observation that the Czech comedians should satirize "what they know" and not the Slovaks.

Bratislava SMENA in Slovak on 3 January on page 2, under the headline "Every Slovak is a Fool," publishes a 500-word commentary by Milos Scepka, who criticizes the New Year's Eve program on federal television. He says he believes that television has demonstrated the need for two national programs because Czechs and Slovaks obviously have a different sense of humor. According to him, the Czechs will laugh as soon as someone starts to speak in Slovak. "The Czech New Year's Eve program broadcast on the federal channel F1 contributed to the increase of tension and anxiety in mutual relations. It was lucky that on the OK 3 channel they broadcast an intellectually demanding program of 'dances' by sparsely dressed girls, Czech or Slovak, it did not matter."

Up to 17,000 Small Businesses To Be Privatized

AU0701204191 Bratislava NARODNA OBRODA in Slovak 4 Jan 91 p 1

[M. Moricova report: "First Auctions in February; Before the Start of Small Privatization"]

[Excerpts] We have learned from Augustin Marian Huska, [Slovak] minister for the administration and privatization of national property, that the ministry has completed preparations for small privatization and that the whole machinery of district privatization commissions has also finally been set in motion. [passage omitted]

Lists of all business premises that will be offered for sale within the so-called small privatization are being compiled these days. The exact final figure is not yet known but it will be between 12,000 and 17,000. The prepared lists must be examined and checked by the ministry which must make sure, on the one hand, that they are complete and, on the other, that they do not include any businesses subject to reprivatization [under the property restitution law]. This phase will last until the end of January at the latest. District privatization commissions will post the confirmed lists at the pertinent places for 30 days. Moreover, they will be published in the form of brochures. Every prospective buyer will learn from them what is being offered for sale, where, with what equipment and inventories, and at what price.

The first auctions can be expected to be held in mid-February or late February.

Nuclear Plant Innovation To Enhance Safety

LD0701211791 Prague CTK in English 2024 GMT 7 Jan 91

[Text] Prague Jan 7 (CTK)—Innovation and reconstruction at the V-1 nuclear power plant at Jaslovske Bohunice, West Slovakia, will ensure further raising the plant's safety and operational reliability, experts from the Czechoslovak Economics Ministry say in a statement conveyed to CTK today.

The statement was issued in connection with the campaign waged in neighbouring Austria against nuclear power generation in Czechoslovakia.

The statement says that several renowned organizations, i.e. Siemens from the FRG, Westinghouse from the U.S.A. and an asset working team from the International Atomic Energy Agency (IAEA) have inspected the plant. A statement was made also by the world organization of nuclear plants' operators WANO. None of them drew the conclusion that the V-1 must be closed down. Only Austrian experts called for the immediate shut-down of the plant.

The Czechoslovak Economics Ministry's statement says this is nothing surprising. It is in full harmony with the official Austrian antinuclear policy which is built on the results of a referendum of 1978 which marred by a small margin putting into service of the nuclear power plant at Zwentendorf.

The relevant Czechoslovak bodies are aware of their responsibility for the safety of V-1 operation in relation to the populations of both Czechoslovakia and of neighbouring countries, the statement says.

The Austrian campaign against Jaslovske Bohunice has been under way since last autumn. The V-1 is one of the oldest Soviet-type plants in Czechoslovakia, a country which wants to continue using nuclear power for ecological reasons. Its thermal power plants, burning low-quality brown coal, cause heavy damage to the environment. However, future nuclear power plants are to use Western technologies.

State Secretary Cited on Likelihood of Gulf War

LD0701215391 Budapest Domestic Service in Hungarian 2100 GMT 7 Jan 91

[Text] [Announcer] Shortly before the start of our program Tamas Katona, the state secretary for foreign affairs, arrived back home from Cairo. Peter Zentai who is now here sitting in the studio prepared an interview with him that you can hear tomorrow in the "Morning Chronicle;" now I am asking Peter what did Tamas Katona say to you, does he see the chance for a peaceful solution, or does he believe there will be a war?

[Zentai] He sees a greater chance of war than peace, contrary to many quoted politicians—we have heard that the British foreign minister thinks Iraq will withdraw. His discussions in Egypt rather confirmed that the Egyptian leaders are afraid of the war and are preparing for the war—after all Saddam Husayn threatened Cairo as well with rocket attacks. What is interesting is that Tamas Katona phrased his statement in strong terms. He sees Saddam Husayn as an unpredictable man, and this opinion he shares with the Egyptians. Tamas Katona also said that, in Egypt, Saddam Husayn had been compared to Hitler, and he makes the same comparison.

Alleged Arab Terrorist Infiltration Reported

AU0801100891 Budapest MTI in English 1130 GMT 7 Jan 91

[Text] Budapest, 7 Jan (MTI)—Monday's "MAGYAR HIRLAP" reports on the presumed presence of Arab terrorist groups in Hungary, quoting the radio and TV statement of Andras Galszecsi, newly appointed head of the National Security Office.

Galszecsi said that an eventual terrorist action was likely to turn the Hungarian population against the thousands of Arabs living here. The so-called "hibernated terrorists" were sent to Hungary a few years ago by various Arab groups. These agents, some of them probably Hungarian citizens through marriage, are immediately mobilizable on command.

In view of the terrorist threat, the Hungarian Police has been on the alert for a couple of days.

Police guard has been reinforced around several buildings, including the US Embassy in Budapest, the International Ferihegy Airport and the Jewish Primary School in Wesselenyi Street. At new year's eve the Atrium Hyatt Hotel in Budapest was cordoned off and combed.

The police have not denied the newspaper's information that a 13-strong armed Palestinian commando crossed into Hungary via the green border with the presumed aim of blowing up the Atrium Hyatt Hotel. The news of a 30-strong terrorist commando having entered the country across the Yugoslav border last Wednesday night has not been refuted either.

On the other hand, experts claimed there was no connection between the large amount of weapons which recently disappeared from a number of barracks and the terrorists.

"MAGYAR HIRLAP" says Hungary could be a target for terrorists as the deserted Soviet military airports in the country could be one of the transfer bases of the American Airforce, were armed conflict come about in the gulf.

The latter assumption was denied on Monday. MTI has the information that the former Soviet airports are unsuitable for use as a "transfer basis" for U.S. aircrafts heading for Iraq.

The Soviet Air Force used seven concrete-track air bases, and those already emptied are unfit to receive modern aeroplanes, after the leaving units took away the electronic control equipment as well.

Entry of Palestinian Commandos Denied

LD0701190191 Budapest MTI in English 1705 GMT 7 Jan 91

[Text] Budapest, January 7 (MTI)—An Interior Ministry national frontier guard official firmly denied press reports carried on Monday, under which Palestinian commandos, one with 13, the other with 30 members, had recently entered the Hungarian republic across the "green border."

Lieutenant Colonel Janos Zubek, frontier guards spokesman, said in answer to a question from MTI that Hungary is to dispatch a medical team of symbolic size to assist the international armed forces stationed in the Persian Gulf region. It thus cannot be excluded that terrorist groups will try to enter the country in the coming period, which is why the frontier guards have for days been reinforcing patrols of the endangered border sections, and other measures may well be taken, if the need arises.

Agreement Reached With Saudi Arabia To Buy Oil

LD0701192591 Budapest Domestic Service in Hungarian 1700 GMT 7 Jan 91

[Text] [Announcer] We are far from solving Hungary's oil supply without any problems. The contract reached with Saudi Arabia, however, is a considerable drop in the ocean: for the time being, for one year, with a price of $23 a barrel. [sentence as heard] Andras Erdfalvi reports:

[Erdfalvi] The (Nava RT), a firm in which Hungarians hold financial interests, was not [widely] known in the country. It only became a familiar name in December last year when it disclosed an advantageous possibility for oil supply to the government and the public. According to their offer, Saudi oil will be delivered to our country at a maximum price of $23 a barrel.

Laszlo Vapler, chairman-director of the Nava RT, informed journalists today about the contract. The Nava firm is to buy oil from Saudi Arabia for 45 billion Forints this year, at the aforementioned maximum price. The Saudi Government, incidentally, is offering 4 million tons of oil for sale, which is two-thirds of Hungary's crude oil requirement. The oil will arrive at the border through the Adria oil pipeline. The first shipment of Saudi oil is to arrive next month and if the OKGT [National Oil and Gas Industry Trust], following the trial purchase, not object to the quality, there will be no more obstacles in the way of continuing the hard-earned business in an advantageous way.

Malev Airlines Continues Flights to Middle East

LD0701211191 Budapest MTI in English 1748 GMT 7 Jan 91

[Text] Budapest, January 7 (MTI)—The scheduled flights of Hungarian Airlines Malev are continuing to the Middle East, in spite of the tensions in the gulf region, said Tamas Deri, director-general of Malev, at a press conference on Monday.

At the same time, he said insurance companies have implemented major price rises due to the heightened risks involved, which means Malev's costs have gone up by a weekly five million forints. Therefore, the operation of the Damascus, Tel Aviv, Cairo and Dubai flights will depend on daily politics.

Inasmuch as no promising agreements are reached following the U.S.-Iraqi foreign ministerial talks on January 9, Malev will restrict its activity to evacuating Hunagrian citizens from the endangered areas.

Ministry Advises Citizens Against Trips to Gulf

LD0701114391 Budapest Domestic Service in Hungarian 1100 GMT 7 Jan 91

[Istvan Kulcsar report; place and date not given]

[Text] Government spokesman Janos Herman outlined at his news conference today the Foreign Ministry's statement which, in view of the tense situation that has developed in the region, advises Hungarian citizens not to travel to the Persian Gulf area. This applies to our compatriots in Syria, Jordan, and Israel as well. The Hungarian foreign representations working in the region will do everything possible to safeguard the security of Hungarian citizens, the statement stresses. The spokesman mentioned that, according to their current information, 100 Hungarian citizens are long-term residents in Syria, 150 in Israel, and 80 in the United Arab Emirates.

Jeszenszky Interviewed on Trade Talks with Iran

LD0701144391 Budapest Domestic Service in Hungarian 0500 GMT 7 Jan 91

[Interview with Foreign Minister Geza Jeszenszky by Istvan Szello; place and date not given—recorded]

[Text] [Announcer] The Hungarian foreign minister has concluded his visit to Iran. Having arrived in Budapest last night Geza Jeszenszky said that Tehran does not want a war in the region. The Hungarian foreign minister spoke to Istvan Szello about the economic aspects of the talks.

[Szello] We know that your visit primarily concerned economic relations. Although we have traded with Iran before, 80 percent of this was Hungarian exports. How will this change?

[Jeszenszky] Iran is not simply a free market, the role of the state is very significant—that is, with good political relations we have a good chance to increase our trade commercially. At the same time the free competition means that we only have a chance for this if we reach the quality and the delivery conditions which are offered by others.

[Szello] What do we get from Iran in return?

[Jeszenszky] The Joint Economic Committee will meet in the spring. This will make it possible for us to make specific agreements or at least to get very near to that. During our visit we expressed our wishes and ideas, we expressed our wish to buy oil.

[Szello] What was their answer?

[Jeszenszky] That they would sell us oil with pleasure, they have plenty of it; however, we told them that we could only buy oil if they increased their purchases from us. In the first half of this year the Iranian head of state will visit Budapest. This will be a good oportunity to sign specific agreements.

[Szello] Is there hope that we shall acquire a greater amount of oil from Iran at a reasonable price in the near future?

[Jeszenszky] The price depends on developments and hopefully the earliest possible solution of the crisis. If it is solved quickly and peacefully, or (?even if not peacefully but a quick decision is reached), then the price would fall quickly. This would be extremely important for us. So I can say that there will not be a shortage of oil and gasolines.

[Szello] What if we cannot afford it?

[Jeszenszky] The price does not depend on us; presently, it mainly depends on international factors.

Vacated Soviet Bases 'Unsuitable' for Use

LD0701121291 Budapest Domestic Service in Hungarian 1100 GMT 7 Jan 91

[Text] The Soviet bases in Hungary that have been vacated are unsuitable as refueling bases for possible U.S. fighter-aircraft en route to Iraq. MTI denies press reports to the effect that the United States would like to use these air bases as part of the air bridge. According to the statement, the departing Soviet formations took with

them the equipment necessary for air traffic control and landing; therefore, the vacated air bases cannot be used at the moment.

Defense Minister Fur Queried on Arms Imports

AU0801140391 Budapest MAGYAR HIRLAP in Hungarian 4 Jan 91 p 3

[Interview with Defense Minister Lajos Fur by Cseke; place and date not given: "Extra Expenses to the Tune of 9 Billion Forints"; first paragraph is MAGYAR HIRLAP introduction]

[Text] Rumor has it that the united Germany wants to get rid of the aircraft and tanks that belonged to the former GDR Army. First of all, Germany hopes for an interested response from Central and Eastern European countries—Czechoslovakia, Poland, and Hungary—particularly because of the very cheap prices (compared to world market prices) at which Germany is selling this relatively modern technical equipment. We asked Lajos Fur to confirm or deny the information according to which a German delegation had recently visited Budapest to discuss this issue with the Hungarian side.

[Fur] There really have been some inquiring negotiations in the recent past. We asked how we could obtain German arms, but unfortunately, negotiations have been unfruitful, so far.

[Cseke] Are other countries also interested?

[Fur] Presumably, yes. I have no additional information on this point.

[Cseke] If the Germans were to propose a sale of their arms, would Hungary offer to buy?

[Fur] Naturally, yes. Indeed, otherwise, we would have to buy exactly the same spare parts and arms from other countries at a much higher price. As of 1991, the Hungarian Army will have to purchase its equipment in dollars, even from the Soviet Union; thus, our expenses will increase three-fold.

[Cseke] How much will the Hungarian Defense Ministry spend on the purchase of foreign arms in 1991, or is that a secret?

[Fur] I can say this much in public: We are going to buy the same amount of equipment as last year, but given inflation rates and our conversion to dollar accounts, we shall have to expect extra expenses to the tune of 9 billion forints.

[Cseke] On more than one occasion in the past, you have mentioned that the Defense Ministry needs approximately 75 billion forints. Compared to this amount, the Hungarian National Assembly allocated rather a small budgetary sum to your ministry. What will the allocated sum suffice for?

[Fur] The allocated sum will allow the Defense Ministry to survive 1991. We will introduce various restrictive measures, and we will continue with our staff reductions. Given that officers can already retire at the age of 55, staff reductions will primarily affect those who have reached retirement age. In any case, I would like to maintain the same figures as before for our vocational officers and our combat units.

[Cseke] Will there be any new investments in 1991?

[Fur] There is almost no money for anything. We will only continue with one investment. We will allocate increased funds to the building of an Army hospital on Robert Karoly Boulevard.

News Briefing on Unemployment Costs Reported

LD0701153691 Budapest Domestic Service in Hungarian 1100 GMT 7 Jan 91

[Text] According to even the most cautious forecasts we can expect half a million unemployed in 1992. The sum payable as unemployment benefit is not enough. Presumably, enterprises will have to create a solidarity fund if they want to handle the matter. Laszlo Gardai reports from a news briefing at the Labor Ministry.

[Gardai] By the end of this year we expect 200,000 unemployed according to present estimates, Imre Czuhai, head of a department at the ministry told journalists. As is known, the budget allocated 9 billion forints to help the unemployed. According to preliminary calculations, however, we can expect that the money allocated for this will run out during the year, as it is some 7 billion forints short.

Unemployment benefit is 70 percent of the average wage in the first year, and 50 percent of the wage until the end of the second year. No concept has been worked out yet as to what will happen to the unemployed after that. One way of raising the lacking 7 billion forints would be that both the employers and the employees would join the solidarity fund, but so far this idea has been rejected because of growing burdens. There are presently 70,000 unemployed, which is why computerized job centers and advisory offices should urgently be created in the counties. The Labor Ministry has allocated 1.3 billion forints for this purpose. If no money is found to cover the aid, it is not impossible that the amounts of assistance and the sphere of those receiving it will eventually be restricted, but we want to avoid this at any rate, the head of department at the ministry said.

Walesa Confers With Christian Democratic Party

Consultations Continue

LD0701222191 Warsaw PAP in English 2105 GMT 7 Jan 91

[Text] Warsaw, Jan. 7—Today President Lech Walesa continued political consultations at the Belvedere Palace here. This morning he met with Chairman of the Christian-Democratic Party Lukasz Czuma and its member, Deputy Wojciech Polak. The latter told newsmen that the meeting focused on the concept of the formation of a political council at the president and that they declared the will to participate in its work.

Next Walesa's interlocutor, chairman of the Christian-Democratic Labour Party Wladyslaw Sila-Nowicki stated that he would agree to take part in the political council. "Though it is not a council envisaged by the constitution, according to democratic principles allowed is all; that is not forbidden," he added.

Asked to comment on a statement made by the Democratic Union which had mentioned "supplying democracy with artificial limbs" Sila-Nowicki stated: I am firmly opposed to this since this is said by people who—in my opinion—have long been fighting against democracy in Poland, hindering the formation of political parties, consciously aiming toward a monoparty. I am shocked to hear such utterances made by my former Solidarity colleagues Geremek and Mazowiecki. One must say that a quarrel between Geremek and Mazowiecki, on one side, and Walesa, on the other, broke out when at some moment Walesa found out what was going on and started to defend democracy. This is how this political conflict began.

In the evening, the president met with Deputy Adam Michnik. They talked for over an hour but Michnik refused to comment.

Walesa Nominates Presidential Office Officials

LD0701195691 Warsaw PAP in English 1755 GMT 7 Jan 91

[Text] Warsaw, Jan. 7—President Lech Walesa nominated today Senator Janusz Ziolkowski to the post of state secretary in the presidential office. Ziolkowski will deal with strategic foreign issues.

Janusz Ziolkowski, 66, is a professor of sociology. Solidarity member since 1980, participant in the round table talks in 1989. Head of the Senate Foreign Affairs Committee.

The president nominated Arkadiusz Rybicki of Gdansk to the post of undersecretary of state in the Presidential Office. He will be one of the president's political advisers.

Rybicki, 38, a historian, specialises in geopolitics. One of the founders of the "Movement of Young Poland", has been on the team of Lech Walesa's advisers for long years and Walesa's secretary in the years 1983-1988.

Earlier, the president nominated Jaroslaw Kaczynski to the post of head of the Chancellery of the President and Jacek Merkel—to the post of minister of state responsible for defence and security affairs.

This week is likely to bring more nominations which will close the initial stage of shaping the structure of the presidential office.

PPS Critical of Walesa's Political Council

LD0701150991 Warsaw Domestic Service in Polish 1400 GMT Jan 91

[Text] The Polish Socialist Party [PPS] has expressed its views on the matter of the election of the president's Political Council. In the view of the Central Executive Committee of the PPS, the arbitrary choice of members of the Political Council and the possibility of it fulfilling the function of a representative body arouse unease.

The PPS expresses itself in favor of the acceleration of free parliamentary elections.

Spokesman Defends Council

LD0701180291 Warsaw Domestic Service in Polish 1500 GMT 7 Jan 91

[Excerpts] President Lech Walesa is continuing his political talks in the Belweder Palace. [passage omitted] Andrzej Drzycimski, the president's spokesman, reacted as follows to the accusation that the proposed presidential council is an artificial limb of democracy.

[Begin Drzycimski recording] Accusations can always be made about any idea or undertaking. However, I think the general situation in Poland is quite complicated and complex. We have a parliament with a specific arrangment, which is a contractual one: it is not the result of a general election. The only institution really resulting from a general election is the presidency, and the president is initiating many improvements which are aimed at broadening the political spectrum. One can discuss whether that initiatve or this idea is correct or not, but issues should be treated seriously and that is why we should wait at least a few more days until we are able to see which direction the people to whom the president has spoken are leaning, and whether that council has any sense or not. I think those voices saying it is an extra-constitutional body, a super government, or a super parliament are premature. [end recording]

Bielecki Discusses Rural Problems With Union

LD0701195791 Warsaw PAP in English 1854 GMT 7 Jan 91

[Text] Warsaw, Jan. 7—Prime Minister Jan Krtzysztof Bielecki met here today with representatives of the National Council of Rural Solidarity. The meeting lasted almost an hour.

After the meeting head of Rural Solidarity Senator Gabriel Janowski said: The union presented its assessment of the situation in the countryside and in the Polish economy and proposed concrete solutions for coming out of the crisis. They have been known for months but ignored by the previous government.

We warned the premier that matters of agriculture were in a worse shape now than a year ago and that radical, quick and unorthodox solutions were called for.

The Rural Solidarity leader also said that principles of agricultural policy should be clearly formulated along with instruments of their implementation. Certain elements of proper agricultural policy were outlined in the premier's expose but they were insufficient in the union's view.

The state budget is the key to solving some of the problems of agriculture, but its current shape does not augur well, Gabriel Janowski opined.

Premier Bielecki declared his readiness for cooperation with the union.

Talks are to be continued.

Bielecki Presents Orders for Radio, TV Overhaul

LD0701190491 Warsaw PAP in English 1733 GMT 7 Jan 91

[Text] Warsaw, Jan. 7—Today Poland's new Prime Minister Jan Krzysztof Bielecki took part in a session of the outgoing Council of Ministers.

This morning he met with Communications Minister Jerzy Slezak and with all candidates for ministers in the new cabinet.

He also visited the seat of the Polish Radio and TV Committee where he handed over recall acts to the to-date management of the institution and also a nomination act for the chairman of the committee to Marian Terlecki, who was at the same time ordered to prepare the liquidation of the institution in its present shape.

Next Bielecki received a delegation of Rural Solidarity and also met with outgoing Deputy Prime Minister Jan Janowski.

Here is an official communique issued by the Government Press Office:

"In connection with intended organizational changes and structural transformations in the Radio and TV Committee "Polish Radio and Television" the chairman of the Council of Ministers has recalled Andrzej Drawicz from the post of the chairman and Jan Dworak, Jozef Kowalczyk and Lew Rywin from the posts of the vice-chairmen of this committee, thanking them for their work.

"The prime minister appointed Marian Terlecki chairman of the committee."

Marian Terlecki, 37, was for more than a year a head of the Gdansk TV centre where he worked in the years 1980-1981. Involved in the Solidarity activity he was dismissed after the introduction of martial law.

In the 1980's he organized an underground film studio "Studio Video Gdansk" which produced numerous documentary films concerning problems neglected by official mass media.

Marian Terlecki has been involved in the movement of regional TV centres coming out in favour of the liquidation of the Radio and TV Committee, of profound changes in TV and of independent regional TV centers.

More on New Chairman

LD0701175691 Warsaw TVP Television Network in Polish 1615 GMT 7 Jan 91

[Text] Marian Terlecki, producer, script writer, and author of several books, today became the chairman of the Radio and Television Committee. He is 36 years old and for the last year has been the main editor of the Television Center in Gdansk. During the period of martial law he hid Soldiarity's television equipment. After spending one and a half years in prison he began to create a movie center, the Gdansk Video Studio, based on church (?materials).

Tyminski Ready To Apologize to Mazowiecki

LD0701200391 Warsaw PAP in English 1900 GMT 7 Jan 91

[Text] Zakopane, Jan. 7—Stanislaw Tyminski, former presidential candidate accused of insulting the highest state authorities during his election campaign last November, was questioned at the provincial prosecutor's office in Noway Sacz, southern Poland, today.

During the questioning the provincial prosecutor Marek Eilmes changed the legal qualification of Tyminski's deed. He is no longer accused of insulting the highest state authorities. According to Eilmes the change of the qualification has resulted from the analysis of collected evidence showing that Tyminski insulted Tadeusz Mazowiecki as a rival for the presidential office and not as the premier in office.

Tyminski informed the prosecutor that he had evidence testifying to his innocence at his disposal but did not present it. However, he voiced the readiness to apologize to Mazowiecki in public.

If this were to happen, it would not have an influence on the prosecutor's decision, to be made in the coming ten days, but could have influence on the court verdict and sentence, the prosecutor's office commented.

While leaving the office Tyminski said that he was extremely satisfied because of both the change of the legal qualification of his deed and the way the Nowy Sacz prosecutor's office conducted the investigation.

Also today at an impromptu press conference in Nowy Sacz Tyminski stated that he would stay in Poland and that within a month he would make a decision how to join the country's political life. He did not exclude the possibility of founding his own party "if there are conditions conducive to this." "My electorate obliges me to take part in public life," he added. He also told newsmen that he wanted to publish a press title in Poland.

Skubiszewski To Visit UK 9, 10 January

LD0701185391 Warsaw PAP in English 1553 GMT 7 Jan 91

[Text] Warsaw, Jan. 7—In connection with an official working visit to Great Britain by Poland's Foreign Minister Krzysztof Skubiszewski on Jan. 9 and 10 representatives of the Polish Foreign Ministry have expressed opinions to the effect that the British policy towards this country will not be considerably reappraised after the change of the premier in Great Britain. It seems to them that John Major's approach in this respect will be pragmatic than Mrs. Thatcher's and based on opinions voiced by British financial and industrial circles. [sentence as received]

The Polish side expects that Skubiszewski's talks in London will focus on international issues related to the Gulf crisis and the situation in Central Europe as well as on economic issues. In particular, the issue of the Polish 2.2 billion dollar-debt owed to Great Britain remains to be tackled. In practice Poland does not obtain British credits anymore as the Bank of England has fixed the so-called risk percentage, this meaning that each bank willing to grant a credit to Poland has to accumulate a 70-90 percent of its value as a surety.

It should be expected that one other topic of the talks in London will be the visa restrictions imposed on Polish citizens willing to visit Great Britain. The Polish side seeks an easing of the restrictive position on the British authorities in this respect.

Commentary Welcomes Ascendancy of Liberalism

AU0801120391 Warsaw RZECZPOSPOLITA in Polish 3 Jan 91 p 1

[Piotr Aleksandrowicz commentary: "A Liberal Opportunity"]

[Text] During the last few months, the liberal movement has strengthened its position in Polish politics. The culmination of this process has been the nomination of one of the leaders of the Liberal-Democratic Congress for the post of prime minister. For a state that is still strongly centralized, a country with a nationalized economy, a society without a middle class, a Poland ruled by bureaucracy and thousands of various regulations, this is an event that can best be described as going against the grain.

It is also a very encouraging event, because Poland badly needs a lasting and strong presence of liberal thinking. Polish citizens are to a large extent children of a system where superimposed restrictions on freedoms have become meshed with a particular concern the bureaucrat has for the citizen. The lack of freedoms was badly resented, but the official attention (even though it was paltry) was generally seen as a positive thing. Nevertheless, if Poles want to live in a country that is to develop and to catch up with European standards, they must accept the liberal ideal of individual freedom with all the implications this brings, namely, the ideal of self-reliance and the responsibility of each person for his own fate. Only inconsequent dreamers on the left (or cynics) still cherish the idea that it is possible to quickly and efficiently develop a Swedish model of the welfare state from the rubble of a socialist economy.

The idea of personal property and the benefits that flow from it (increasingly present in the minds of private entrepreneurs, farmers, small tradesmen, and even street traders) should also be the ideology of the workers of the largest, still state-owned enterprises. The idea of limited state interference, of a state that guards liberties (not to force people into a straitjacket, but to defend their personal rights and freedoms), is another liberal concept which is still far removed from our society's consciousness.

Finally, there is the concept of tolerance. It may appear that tolerance is already being articulated by society, but this is just superficial lip service paid in the course of our everyday life. It manifests itself not only among the well educated who were only too ready to condemn an outsider and heretic, but also among groups that formerly one considered as intelligentsia. This fact became quite evident during the last election campaign.

Apart from these general liberal characteristics that have flourished for over 200 years, Polish liberalism has its specific characteristics. Liberals are not usually doctrinaire, because they remain strongly bound to present realities, the economy, human weaknesses, and freedom of choice. Polish liberals seem to be declaring a strong link to pragmatism. Contemporary European liberalism or American liberal conservatism preserves and strengthens its values in societies where these values are strongly internationalized. Polish liberalism sows its seed in a fallow field with a poor quality soil.

Throughout the world, the liberal movement stands guard over democracy and a market economy system. In Poland, liberalism is only a factor that supports the development of these two elements in very difficult economic and social conditions. Thus, this postulates the necessity of a pragmatic and nondoctrinaire approach to one's own ideals.

Specific aims stem from specific conditions. Polish liberals are in the forefront of those people who support a wide and general privatization and without a doubt liberals will want to speed this process. The emphasis on privatization and its universal application—whether by

transfer of ownership in small enterprises, companies, and shops, or whether through wide stock ownership—has a double aim. On the one hand, it should help the economy to be more efficient, and on the other, it should help to create a middle class as the social base of a new system. This is to be accomplished not by wishful thinking but through facts and by extending the principle of private ownership to all citizens and creating a stratum of entrepreneurs and investors.

The second element that Polish liberals will no doubt strongly emphasize (although the government may only be transitional and the times troubled) is to roll back the state in society and public life. I think that, paradoxically, our liberals will want to use the state and its administrative methods to push back the state's omnipresence. At the same time, they are too pragmatic not to realize that the state must elaborate and implement an economic strategy, because the age of economic "laissez-faire" has long gone.

Dismantling bureaucracy, simplifying and limiting legal rules, devolving power and decentralization; all this will go toward creating a modern and efficient state. One cannot create a state that is ruled by law (liberals are the strongest supporters of such a state) where the citizens do not know or understand its laws and the state is in no position to compel observance of norms that it institutes.

There were liberal ideas in the last government, especially in the economic sphere. The strong position of the liberals will now open new horizons.

OPZZ Objects to Wage-Growth Tax Law

LD0701195491 Warsaw PAP in English 1804 GMT 7 Jan 91

[Text] Warsaw, Jan. 7—After hearing a report of its chairman Alfred Miodowicz on his meeting with President Lech Walesa the presidium of the council of the All-Poland Alliance of Trade Unions (OPZZ) today came out in favour of the continuation of democracy in Poland and staging early free parliamentary elections, the OPZZ press office reported.

In reference to the law on wage-growth tax, adopted by the Sejm last December, the presidium stated that the law discriminated against employees of state and cooperative enterprises.

The OPZZ presidium voiced the opinion that the use of economic coercion to implement a political goal, that is the privatisation of state enterprises, was inadmissible and demanded that wage taxation differences ensuing from the form of ownership be eliminated. It voiced the conviction that within a month the government would negotiate measures to be taken in this respect with trade unions.

Farmers' Leader Warns of 'Social Conflicts'

LD0701181891 Warsaw Domestic Service in Polish 1500 GMT 7 Jan 91

[Text] Premier Jan Krzysztof Bielecki has received a delegation of Private Farmers Solidarity farmers. Deputy Antoni Furtak, deputy chairman of the union, is speaking:

[Begin Furtak recording] It is difficult to be satisfied after a short talk, in which we basically only put forward our joint stance. These talks are supposed to continue, and will be continued. However, even that which the premier proposed in his expose does not have a chance of being implemented within the present draft budget. Thus, if we are talking about changes in policies for the countryside, even in such a minimal sphere as the premier proposed, there ought to be changes to the budget. [Words indistinct]. Naturally this situation threatens social conflicts, and the government will have to consider this if it does not want very serious unrest in the countryside and towns in the spring. [end recording]

Solidarity Mines Continue Pay Protest Action

LD0701223491 Warsaw Domestic Service in Polish 2200 GMT 7 Jan 91

[Text] The participants of an extraordinary meeting of the hard coal branch of the Independent Self Governing Trade Union Solidarity National Mining Commission have come out in favor of maintaining the protest action in the mines being held over pay issues. It was agreed that making decisions concerning active forms of protest could take place after 30 January.

PLO Supporter Fires Grenade in Israeli Embassy

LD0701175291 Warsaw TVP Television Network in Polish 1615 GMT 7 Jan 91

[Text] This morning Piotr R., 22, fired a type UGL-200 gas grenade into the waiting room of the Israeli Embassy's consular department in Warsaw and was immediately detained by a member of the building's security force and transferred to the investigation department of the Office for the Protection of the State. According to the preliminary investigation, the perpetrator was a member of an anarchist organization whose aim is to abolish the state as an institution and to support the Palestine Liberation Organization [PLO].

PNL's Campeanu Favors National Unity Government

AU0701170591 Bucharest ROMPRES in English 1413 GMT 7 Jan 91

[Unattributed report: "Interviews-Statements: Thoughts for the New Year—Radu Campeanu, National Liberal Party President]

[Text] Bucharest ROMPRES 7/1/1991—"I think 1991 will be a difficult year for Romania," Mr. Radu Campeanu, president of the National Liberal Party [PNL] and vice president of the Senate, said in an interview with a ROMPRES editor. He mentioned in this respect that, although the land law to be passed would sanction peasant property and the commercial society law would probably allow for efficient enterprises to be set up, the present difficulties would persist." Major shortages, the speaker said, can be overcome only through a new policy of national recovery most of Romania's population should have confidence in and commit itself to with all its efforts and conscience." Unfortunately, action to that end has started very late and without the momentum required, which has been and is still a cause for social crisis, Mr. Radu Campeanu opined, adding: "As for myself, I should be glad to see the Romanian economy grow stronger this year: But if tergiversations and confusion are the same as before, I am afraid that social tension will grow. It is for that reason that I am not too optimistic about the year 1991."

I must admit, the liberal leader underlined, that the present problems are objective and whoever might have come to power would be facing them now. Therefore, to overcome them a realistic and vigorous approach is needed.

Mr. Radu Campeanu added that, in his opinion, it is a mistake to say that nothing has changed in Romania and that things are the same as one year ago. "We have now a press," he said, "which is free to write about anything, a parliament where the minority finds it hard to have its say but eventually does have it; we have over one hundred political parties therefore the freedom of association is a fact; we have, in principle, a separation of powers which, even if it is not working properly, will bear fruit through democratic practice." Referring to some unfavourable appreciations about Romania's Parliament, Mr. Radu Campeanu said: "I feel I can say that every parliamentarian, with few exceptions who are slipping toward demagogy, is aware of his duty both to the electors and to his country. This is why I think that important steps were taken last year toward a liberalisation of Romanian society."

Recalling that these days the National Liberal Party has celebrated its first anniversary since its rebirth, Mr. Radu Campeanu said: "We have created a party with branches in all districts of the country, with a genuine ideological position, with moral and political values coming both from its past and from its understanding of the present and its look into the future."

Speaking about the local elections scheduled to take place in spring, the liberal leader said: "The National Liberal Party will go in for those elections with the hope and wish to win within the limits of the law, of public order, and of the democracy in which we believe, because the purpose of our party is above all bringing its contribution to deepening the democratic spirit in Romania. And that is far from easy." The speaker further noted that the coming local elections will, in his opinion, be difficult for the opposition in general, not because they would lack qualified candidates to propose, but because the whole present administrative network, from prefects to mayors, has been appointed by the government and, therefore, the people's options may not always reflect their own mind.

Referring to the proposal made by the National Liberal Party to set up a national unity government to be headed by a neutral minister, Mr. Radu Campeanu specified: "There is nothing exceptional about the Liberal Party's proposal, it is a democratic formula used by all advanced states. It is certainly not our intention to seize power, as some misunderstood. The National Liberal Party, he said, believes that given Romania's present difficulties, a joint effort is necessary of those capable to serve their country and, therefore, it is only normal for all political forces to take part and assume responsibilities in decision-making. The National Liberal Party is a party that is not afraid to take responsibilities. I made that proposal considering that a national unity government would reflect the will of Romanian public opinion in its majority and would keep social and economic tension at acceptable levels. On the other hand, the presence of the opposition in such a government alongside and under conditions of equality with the National Salvation Front would improve Romania's image internationally." The dialogue with the present government is still open, yet we shall not participate alone, but only if the members of the National Convention for Democracy (the Ecological Movement, the Ecological Party, the Hungarian Democratic Union of Romania and the Social Democratic Party) agree to join us.

Foreign policy is playing minimal part in Romania for the moment, because public attention is mainly turned to domestic problems the liberal leader opined. But, very shortly, foreign relations will start playing a very important part, especially now that Romania has come out of its isolation and will join the concert of the European countries within normal international relations.

"I think there are many factors in the West who will vote, early this year, in favour of giving Romania a guest status in the Council of Europe," Mr. Radu Campeanu appreciated, adding that the acceptance of our country to that international body would depend in the first place upon political factors.

Speaking about the gulf situation, Mr. Radu Campeanu, just back from a trip to Paris, appreciated that in the West "people are afraid a war is imminent, for two

reasons: On the one hand, the Security Council's resolution and, on the other hand, Iraq's rejection of all requests by the international community to withdraw from Kuwait. Romania's position on the matter is, in my opinion positive," Mr. Radu Campeanu underlined. Romania has placed itself on the side of those defending the principles of international law and of the independence of every nation regardless of its size. I believe that, faced with the imminent danger of international will taking concrete action against Iraq for the liberation of Kuwait, faced with such firm determination, lucidity and calm will replace today's phraseology and even fanaticism which is dangerous in itself, especially at the moment," Mr. Radu Campeanu concluded.

FSN's Iordache on Organization's Future

AU0701171691 Bucharest ROMPRES in English 1445 GMT 7 Jan 91

[Text] Bucharest ROMPRES, 7/1/1991—Mr. Claudiu Iordache, first vice-chairman of the FSN [National Salvation Front] Steering Council, deputy, told a ROMPRES editor the following: "History is, eventually, a machine to test a people's resilience and, beyond the generality of this assertion, I think we cannot give up, as a state and as a people, irrespective of the dangers around us. But everything will cost us. It will cost enormously. And in such a situation I think those governing the state at this moment must also have feeling for the people, not only reason."

Referring to the future of the FSN, Mr. Iordache said: "We want to ensure an evolution of the Front. So after the organisers will adopt a new statute and after we decide upon possible modifications to the platform we entered elections with, we will first try to find about the various options within the FSN. Our very status implies several different points of view. Far from denying this right, we want to let it be expressed freely. I will try to propose that a seminar be organized even before the national convention, a seminar where different opinions can be expressed and commented upon. Of course, we said we wanted to head towards the idea of a social-democratic party, but there are a great many controversial problems here too. Because what we want isn't to become just another social- democratic party, after already existing models, but to calculate our evolution in such a way as to apply it to the Romanian realities. We'd rather make a party of social democracy than a social-democratic one. We want to ensure the possibility to form a state of law and to legitimize it, the possibility that democracy be manifest and protected by specific structures, and that a social policy be applied within it.

Plesu Comments on Withdrawing Resignation Request

AU0701175891 Bucharest Domestic Service in Romanian 1600 GMT 7 Jan 91

["Text" of statement by Culture Minister Andrei Plesu; place and date not given—live or recorded]

[Text] As a result of a meeting that was unique, in its length anyway and in the intensity of discussions held, on the one hand I noticed that the government has taken certain measures to clarify the issue of Mihai of Hohenzollern's Romanian citizenship—after acquiring this citizenship he will not need an entry visa for Romania—and on the other hand, I noticed that a decision has been made. The decision is that the government is activity should show more solidarity and should pay more attention to the general consensus on the situation that requires a decision. Likewise, Mr. Baltazar admitted—and probably will do so in the communique that he is currently preparing—that the statements of a historical nature about the royal family do not represent the viewpoint of the entire executive forum.

Given all these facts, I had sufficient motive to withdraw my resignation request.

7 Jan Government Meeting Proceedings Reported

AU0701213291 Bucharest ROMPRES in English 1952 GMT 7 Jan 91

[Text] Bucharest, ROMPRES, 7/01/1991—A government meeting took place on January 7, to discuss the reduction of the economic activity associated with the reduction of the energy and raw materials resources, Minister of Culture Andrei Plesu's resignation, and some bills and draft decisions circulated to the government members.

It was shown that the reduction of the economic activities strictly referred to the installations and sectors where the use of electricity and fuels was not rational, and the continuation of the respective production brought damage to the national economy.

The government took cognizance of the fact that for every affected productive unit an analysis was made with the trade unions of all economic and social aspects and consequences of the reduction of activity, including the fact that the personnel made redundant would get 50 per cent of their pay until the unemployment iaw comes into force.

It was shown that such measures of reducing certain economic activities would not be able to compensate the possible shortage of imported resources resulting from failure to achieve exports.

Bearing in mind the very expensive bill the national economy, the whole society bears for the imported oil, gas and electricity, the government demanded that all economic agents work by far more for export, as its takings would be the only realistic basis for import in 1991.

Starting from those difficult issues the national economy has to cope with, Prime Minister Petre Roman made a severe analysis, shared during the discussions also by the other government members, of a number of worrying phenomena manifest in the economy, in the operation of

the productive apparatus and in the state administration, including the poor offer of quality goods, the immobility, reluctance and even, in certain cases, the opposition to reform at the level of intermediate echelons and even of enterprise executives, the inefficiency of the economic control and of the correct taxation of incomes.

For a fast improvement of the situation, exigent measures were decided, for the dismissal of all persons who do not prove to be actually and efficiently engaged in the implementation of the economic reforms, for actuation of the government agencies of privatization and promotion of foreign investments. It was established that a department of economic and financial survey be set up under the Ministry of Finance, the customs control bodies be reshuffled, the collaboration between the order-keeping bodies in view of combating corruption, profiteering, smuggling and all the other illicit activities which also entail tax evasion be improved.

Steps were also established for the improvement of the government's own activity, by focussing on priority matters of economic and social policy and reinforcing the control of the way now the laws and its own decisions are applied.

Several ministers discussed Minister Andrei Plesu's resignation, assessing that some of the reasons presented in his application on December 28, 1990 no longer existed.

It was reported in the government that demarches were started to assist ex-King Michael in stating his option as to the regaining of Romanian citizenship based on the decree no 137/1990, which, if he opted for Romanian citizenship, would obviously eliminate the need for a visa to enter the country.

The fact was also noted that the historical assessments about the ex-royal family comprised in the interview granted with the radio on December 26, 1990, by the government spokesman did not reflect the position of the government in its entirety.

Considering the above, Minister Andrei Plesu withdrew his resignation.

In concluding, the government endorsed some bills to be advanced to the Parliament, as well as an important number of decisions on the setting up of autonomous companies and commercial companies in most varied economic sectors.

Prime Minister Queried on Meeting

AU0701183991 Bucharest Domestic Service in Romanian 1600 GMT 7 Jan 91

[Interview with Prime Minister Petre Roman by unidentified reporter on first government session of this year in Bucharest on 7 January—recorded]

[Text] [Reporter] Mr. Prime Minister, today, during its first meeting in 1991, as far as I understand, the government discussed a number of very topical issues for the economy and for our country. I would like to ask you to tell our listeners what issues have been discussed and what solutions have been adopted.

[Roman] This first meeting of the government in 1991 focused on ways to pull ourselves out of a very difficult situation that was brought about by a lack of resources, mainly energy resources. This fact, as is known by enterprises and by each citizen individually, has become an urgent problem, which we have to solve in an appropriate way.

Starting from this issue—that is finding a solution to the lack of energy resources—we opened a much broader and much more important discussion on the results that we present to the nation, results to be achieved through the reform initiated by the government. From this point of view the discussion was serious because we started from the fact that many of the results expected by economic societies and by citizens, take too long to show and thus there are serious causes for concern.

We called on the government members to think with all their political responsibility about those administrative bodies that oppose reforms and are reluctant to implement the decisions and laws that have been endorsed by the government and that, unfortunately, make a decisive contribution to the failure to fulfill expectations and to attain the expected results through economic reforms. As I have already mentioned, the discussion was serious, but it was also very useful because it became clear that the government, while it must take drastic and severe measures which inevitably concern the situation of citizens and of economic societies, also must—through each of its actions—provide proof of the applicability of those measures in accordance with its guidelines, approved by the Parliament, and, as a matter of fact, by the great majority of the people.

The government also discussed Mr. Plesu's resignation request which, in the context of discussions on the first point on the agenda and in the context of the measures currently being undertaken by government to solve the issue in accordance with the norms of human rights, with the sovereignty and legality of the current government, as well as in accordance with what a general option for government members represents, Mr. Plesu has withdrawn his resignation request, a fact that we received with satisfaction and that certainly represents a real unity, a real balance, and the team spirit of the current government.

This has been a meeting that marks an important beginning for the activity of the government this year, given the fact that the current meeting, first of all, featured a self-assessment of results and mainly summed up its own lack of achievements. This was a moment for discussing the way in which government members would communicate and get information on the government's actions

when those actions have a very urgent nature. The meeting also discussed the need to sum up most correctly the steps of the reform, so that they are well understand by the entire population.

*** Iliescu Refuses To Meet With Opposition**

91BA0166B Bucharest ROMANIA LIBERA in Romanian 7 Dec 90 p 8

[Eugen Dichiseanu article: "Stopped at the Palace Gates"]

[Text] On 5 December representatives of the Independent Group for Democracy [IGD], the Association of Former Political Prisoners [AFPP], The League of Students, The League of Romanian War Veterans [LWV], the 15 November Movement of Brasov, the Committee of Action for the Democratization of the Army [CADA], the Timisoara Society, and reporters were refused a dialogue with Mr. Iliescu, although they had been invited by him to the Cotroceni Palace. The dialogue was cancelled. The communique of the president's Press Office, aired the same day on television on the "Current Events" show, attempted a sly maneuver disguised under a diplomatic, presidential cloak. What did it claim? "Certain private persons, who currently are reserve officers, also showed up for the 1000 hours meeting; they demanded to attend the talks on behalf of CADA, although they were unable to produce any mandate showing that they represented anyone.

"In point of fact, the so-called CADA was dismantled by a decision of the Ministry of National Defense, so it cannot be viewed as the spokesman of those really responsible for the democratic modernization and reorganization (?) of the Army."

So that was the solution. CADA does not exist. It has been dismantled by the Ministry of National Defense. Why? Did the ministry establish it? Of course not. CADA is an organization and a state of mind in the Romanian Army which was joined by most of its cadres. CADA is a civic attitude on the part of any person devoted to the imperative need to democratize the military institution as part and parcel of the democratization of the entire country. Are the "modernization and reorganization," as stated in the presidential communique, a dream? Of course. But who says that a state of mind needs a seal and a mandate to be confirmed? Did the emanation of the December Revolution have such legal arguments?

General Paul Cheler, the commander of the armed forces of Transylvania threatened that he will order fire in Alba Iulia on 1 December if there are disturbances. High-ranking officers, generals, ordered murder on 22 December, remember? Now they're holding key positions in the Defense Ministry. CADA wants the truth, it wants justice, the purge of Communist activists from the Army, and recognition of human rights; it doesn't want the Army to go against the naked breasts of defenseless demonstrators. CADA does not destabilize! It does not create disarray! The CADA representatives present at the gates of the Cotroceni Palace wanted to say that and much more to Mr. Iliescu, who claims to be the president of all the Romanians. There is one fact we want to note painfully in short: They hold an untainted passport of participation in the revolution and even more. That, however, was not enough to gain them admission to Mr. Iliescu. Not even for that. As for dialogue....

All the organizations and associations that had been invited and then turned away—and how "diplomatically"!—expressed solidarity with CADA. Anything else would have been inconceivable.

The 15 November Movement of Brasov, LWV, AFPP, and the other invited guests noted that Mr. Iliescu is amassing arbitrary powers. One of the most recent examples of that was the endorsement of the bill on the establishment, organization, and operation of a Supreme National Defense Council [SNDC]. Under this law, the president and the prime minister can allow the Army and the interior minister to open fire on crowds. Point c) of article 2. states that among other things, SNDC can approve the following: "a cooperation plan between the Ministries of the Interior and National Defense, and its implementation concerning intervention by and their units' missions, INCLUDING THE USE OF WEAPONS, AMMUNITION, AND EQUIPMENT to guard and defend important sites on the national territory, and to maintain and restore legal order." By directly overseeing the Army Council, Mr. Iliescu has in fact taken over the Romanian Intelligence Service and the other bodies of reprisal. The danger is enormous. Moreover, in the year since the revolution there has been incitement to violence, apologies for violations of the law, communist principles are shamelessly applied, and social tensions are continually fanned. The man in the street is overwhelmed by material cares and needs. Political and moral blunders have placed the country in isolation. The Timisoara Society, IGD, and all the rest demanded the resignation of those who have managed to make a mockery of the nation.

There is something very important we must note. The idea of this denouement was imposed by the bitter reality of a policy of closed doors and defiance and by the extremely dangerous game of lies that did not allow for any other conclusion or alternative.

What do the rulers have to answer to that? And especially, when?

The dialogue with President Iliescu was cancelled. But he must find out all these truths discussed at the press conference that followed the presidential refusal to talk.

They are reported by our newspaper, which is banned from entering the palace gates.

* Iliescu Calls For Solidarity, Realism

91BA0181A Bucharest ADEVARUL in Romanian
15 Dec 90 pp 1, 2

[Interview with President Ion Iliescu by Darie Novaceanu: "The Loneliness of the President at a Time of Hardships"]

[Text] In the afternoon of Wednesday 12 December Romania's President Ion Iliescu received our director Darie Novaceanu at Cotroceni Palace and gave him the following interview.

[Novaceanu] Mr. President, the first question is one that comes from the street: Yesterday and all day today the access to Bucharest was blocked by striking drivers. This strike is a serious and complex situation because it primarily jeopardizes supplies to the city. You were a mediator in this strike. You also met with students and with representatives of other trade unions. What is the situation at present?

[Iliescu] I want to mention something positive: At these meetings we met with understanding on the part of both the trade unions and the Fratia [Brotherhood] Confederation. This is a good beginning. At the same time, we endeavored to clarify their demands.

[Novaceanu] Are the demands justified from a trade union viewpoint? Don't they impinge on the political arena?

[Iliescu] From previous talks with Fratia it emerged that there are practically no specific trade union demands. The only issue I noted had to do with the commercial reorganization of motor vehicle centers. But there are complications in this respect because various depots belong to various organizations, and there are still discussions on what the optimal form of organization is.

[Novaceanu] Did they also bring up the precarious material situation?

[Iliescu] This is an older problem and it is not at all specific just to this sector. There are shortages throughout the national economy. In this particular case, there is a shortage of tires, spare parts, and batteries. Some of the means of transportation are very old. They are quite right about all this, but we have few resources for replacing them and securing satisfactory supplies, and it will take time.

[Novaceanu] The drivers are not the only ones on strike. Is this something that just happened, a coincidence, or is it a "study," in other words, an organized scenario?

[Iliescu] There are evidently two aspects to it. There are objective sources of dissatisfaction—the many difficulties confronting the economic units, shortages of basic products, foodstuffs, and consumer goods. The price liberalization and the radical price increase for some products are causing exasperation. But there is also another facet, namely attempts to organize strikes motivated by broader political objectives, directed against legal institutions, the government, and even Parliament. One such example is the appeal of the Students' Convention of Timisoara, whose demands were purely political and which had nothing to do with the students' movement or with the goals of this type of movement. These are attempts to bring pressure to bear on the legal bodies, attempts to change the leadership through undemocratic means, through street pressure.

[Novaceanu] Do you think that there may be further attempts at a forcible coup?

[Iliescu] I feel that there are efforts to achieve a better coordination and to rally forces more closely.

[Novaceanu] Mr. President, how would you have liked this month of December to have been?

[Iliescu] In my address to the nation on television I appealed for united efforts to ensure a good climate, a constructive political climate. This month we should have had leisure and peace to honor and commemorate our heroes, to honor the memory of those who fell last December. There are many difficulties. That was clear from the very beginning, ever since we began building the provisional structures of the new power. We realized that we were entering a period of fierce hardships, because of what we inherited from the past, but also because of the difficulty inherent in starting up the process of transformation of the Romanian society. All the countries around us are sharing the same difficulties. Nevertheless, we have had very many positive achievements during this period. We have very great difficulties. They exist; whatever the structure or composition of the power, no one could bypass these difficulties. I think what we need is a sense of civic, patriotic solidarity. Even the opposition should be in solidarity with the efforts of those who assumed the political responsibilities at such a time, at a time of such hardships.

[Novaceanu] Have you had any direct support from the opposition so far?

[Iliescu] I always pinned my hopes on the possibility of a constructive dialog, and I hailed the positive elements that emerged, especially in the dialog with the political forces currently represented in Parliament. We have even put in motion a system of periodical meetings. I had the impression that both sides were happy to be able to exchange information and to build a terrain of cooperation among the political forces engaged in the activities of the country's legislative institution.

[Novaceanu] But do you think that the "street," especially the "streets" of Bucharest are taking advantage of this dialog?

[Iliescu] Unfortunately, no. It is probably our fault, too, for not having been able to ensure a broader dialog with all the political and social forces that are making their

voice heard in various ways, including street demonstrations. It is no less true, however, that there are also those who deliberately incite small groups, who don't want dialog, only protests and sometimes violence.

[Novaceanu] Given the present conditions of freedom that no one could deny at the present, do you think that the forces of order did their duty every time?

[Iliescu] No. This is still one of our weaknesses stemming from the very process of change in our country, a process that left its mark on the entire development of Romanian society this year. The confrontations that emerged in the meantime as a result of the process of political differentiation and of the emergence of various political orientations, trends, or parties, were not of a nature to preempt the incidence of violent conflicts both before and after the elections, like the delayed continuation of the electoral struggle in mid-June. In every instance the forces of order failed to show the necessary ability to ensure public order. I think some progress has been made in this respect in the meantime.

[Novaceanu] Mr. President, for so many years we were deprived of a lot of things, so it is only natural that we now want to have them. Some people do understand that we cannot expect to get everything at once. On the other hand, those in power must also realize that some of these expectations are fully justified. So, on behalf of our readers, I want to ask you: Is this winter going to be any easier for us?

[Iliescu] Unfortunately, the conditions are bad. Despite all the efforts we made ever since the beginning of the year to raise people's incomes and to improve supplies, some of the measures we took already in the first half of the year were undermined by poor crops, something that contributes to augmenting our difficulties now at the beginning of winter. Efforts are being made. We have pinpointed a number of resources for ensuring decent market supplies of meat, bread, sugar, and oil. We imported potatoes from Poland and the German Democratic Republic in order to ensure sufficient supplies. We also imported rice and we are expecting additional staples to arrive in the next few days. But there are also difficulties in the system of market distribution. As for electricity and heat, we have made efforts in this respect, too, sometimes at the expense of industrial interests. Of course, that was because of the drop in domestic production and diminished resources from import. In the wake of the Gulf crisis the government was also obligated to pare down some energy-intensive production capacities. As you pointed out, the fact that prices are rising while there are not enough commodities of the first necessity for the money, is having very negative consequences. In this respect, analyses are now underway to try to alleviate excessive price increases and solutions are being sought to subsidize basic food staples and outlays for electrical power, rents, transportation costs, and other consumer needs. Prices that were maintained on the basis of state subsidies will continue to be subsidized in the coming months.

[Novaceanu] Do you think that indexing salaries and pensions in a direct link to the price liberalization will help?

[Iliescu] In the present conditions it is the only means of making up for some of the disparity between higher prices and incomes.

[Novaceanu] Do you believe that the privatization should be carried out at a measured rate, at a rate calculated to avert traumas?

[Iliescu] Even if we wanted to do it quickly, in practice it would be impossible. The states that went with the shock therapy method actually failed. That was because privatization is a much more difficult and complex process than people think. Changing state enterprises into commercial firms and autonomous managements is something that requires moderation and thorough analysis of each and every facility. We adopted a model and a law, but the changes cannot come overnight.

[Novaceanu] There has been a lot of talk of foreign investors, foreign investments, and foreign capital. Are there any such investments, which we badly need?

[Iliescu] Foreign capital investment in our economy is a must. The entire process of technological modernization of our units and of existing facilities, of developing highly profitable sectors or sectors that can produce rapidly for the national economy, developing tourism and the infrastructures connected with it, services, and so forth cannot be achieved without foreign capital. We have seen how damaging was Ceausescu's autarky concept, especially in the past decade. There is currently interdependence throughout the entire world economy and there is no national economy that can survive outside such interaction and links with the world economy. There are already many positive signs of foreign investors wishing to participate in joint ventures, but all the factors that disrupt production processes, current activities, and labor and production discipline in economic units are negative factors that discourage foreign investors, and so is political instability. Consequently, national interests require united efforts by both political factors to ensure peace and stability, and by all the other factors that can contribute to creating an orderly and organized atmosphere for ensuring efficient activities and thus encouraging foreign investors to come here.

[Novaceanu] Do you think that if we had had debts, previous investors would have been more actively present in Romania, at least in order to defend their investments?

[Iliescu] I don't know whether that would have been a sound factor because, on the contrary, according to my discussions with the representatives of some companies, at the Bucharest Fair, in New York, Japan, and Paris, many viewed the fact that the Romanian economy was not indebted as an advantage and as a favorable element for joint ventures with us. I think that it was mainly

reservations about political and economic stability in the country that kept investors away.

[Novaceanu] Mr. President, I understand that you would like to have a quiet December, a settled December.

[Iliescu] Exactly. But this is not merely a personal wish, but a national interest. And about your previous question: If the international climate becomes even favorable to us, it is a matter of national interest to consider such a positive process and to be receptive to signals from outside.

[Novaceanu] Did many of the people with whom you started out on 22 December, with whom you began the trek so to speak, abandon you?

[Iliescu] Enough. In fact, such things always happened in history. It seems to be something unavoidable.

[Novaceanu] So you didn't suffer too many disappointments in this respect.

[Iliescu] It is not a question of disappointments, but indeed, it's like in any process when a structure of political bodies is created and when there is no previously organized team. Forming a team is a process of political and personal fusion, of efficiency, and of verifying the capabilities of each member.

[Novaceanu] In the meantime you left the National Salvation Front [NSF], too. Do you think that at present the NSF has the same political viability?

[Iliescu] The NSF has a great disadvantage. It is the political group that carries the entire responsibility for the political management of a country in full economic crisis and burdened by inevitable difficulties. All these difficulties reflect on the political party responsible for the country's government. A party that was fragile from the start and that has been further sapped, having had to fuel the government team, parliamentary activities, and so forth. From this viewpoint, Mr. Brucan was right when he said that the Front is paying for its association with the government. And the opposition parties can only gain from the difficulties confronting the governmental team.

[Novaceanu] As a politician, would you rather be in the opposition at present?

[Iliescu] At difficult times like the present situation in our country anyone would prefer not to be responsible for the government and to sit in the opposition. But I think that aside from this kind of personal considerations, someone had to assume this responsibility and it seems to me that at the moment, disrupting this team, which was put together so laboriously, can only disrupt the process begun for our political and economic development.

[Novaceanu] Do you think that a trial such as is being repeatedly suggested, a trial of the era and of Communism could have purged and could have had a beneficial effect on this period of transition?

[Iliescu] What is now being discussed by certain newspapers and groups is, I think, more than an action with immediate political objectives. Because the process as such will be inevitably accomplished by life. The course of renovation in all the areas on which the Romanian society has embarked is irreversible. This process cannot be stopped, cannot be halted. This process is changing structures, mechanisms, and mentalities from the foundation. Who is it that can sit in judgment of such a process? The society as a whole, and only with the instruments offered by the consitutional mechanism that we are now forging.

[Novaceanu] But if, for example, the dictatorial couple had been tried in different conditions, don't you think that the present period would have been in a way purified?

[Iliescu] The previous era cannot be judged merely by putting one or several persons on trial. There is no doubt that a well orchestrated trial of the couple or of the team would have presented many political advantages.

[Novaceanu] But it wasn't possible in the conditions prevailing at the time?

[Iliescu] The reality compelled us to take that immediate measure at the time.

[Novaceanu] A very large number of people are now talking about many truths which we still ignore. Now, one year later, we still don't have a chart of the December events. No one has had time to write books. Everyone has been busy writing for newspapers, while others were "out in the streets." Don't you think that the situation would be much improved if many of those things came out into the open?

[Iliescu] Of course, we all would like to know more and to have more complete explanations about all the moments that preceded the revolution and about those days in December, as well as about all the events that followed. This is a matter of both political investigation, legal investigation, and of activating all the available means capable of contributing the necessary testimonies and clarifications. Many seem to have the impression that I am in the posession of some truths that I'm keeping to myself instead of publicly disclosing them. I am not a party to any extraordinary secrets. This entire scenario that is being pushed, about some team that had been plotting and that....

[Novaceanu] ....was synchronized with the spontaneous uprising of the masses....

[Iliescu] ....Yes, and which later allegedly seized the revolution. This is obvious political speculation.

[Novaceanu] Did Ceausescu have special troops? Mr. Brucan said so in an interview and even talked about foreign terrorists. Do you think he knew more that you did?

[Iliescu] It's possible that he knows more than I do. I was not personally involved in investigating what happened. I let the competent bodies deal with that. There are many bodies for that. These investigative bodies may be criticized for inefficiency. At the same time, we must admit that the volume of cases that need to be investigated is so large that they are overwhelmed by this entire matter. There is no doubt that we can do better and that these things should be better known.

[Novaceanu] Do you feel comfortable with all the street clamor for "Down with Iliescu?"

[Iliescu] Who could feel comfortable with such a thing? But I have no other alternative but to be realistic about Romanian politics, with its limitations and failings.

[Novaceanu] Are you able to cooperate fruitfully with the ruling bodies of the country, the Parliament and the government?

[Iliescu] I am doing my utmost to create a framwork for the best possible cooperation. I am constantly in contact with representatives of the two houses or their chairmen, and with the government. And I am doing my best to ensure this kind of ongoing contact and the necessary dialog and cooperation, notwithstanding the contradictions generated by this cooperation.

[Novaceanu] Do you at times feel lonely?

[Iliescu] Sometimes.

[Novaceanu] Are you always able to overcome it?

[Iliescu] I try.

[Novaceanu] Have you preserved all the friendships you had prior to last December?

[Iliescu] No, and it couldn't have been possible. I am kept busy from morning till night with all these problems.

[Novaceanu] So you are burdened by loneliness and isolation?

[Iliescu] I wouldn't say isolation, but I certainly don't have an easy life.

[Novaceanu] Are you conscious of the great responsibility you're bearing? Do you perceive it as an obligation or a duty that you yourself resolutely assumed?

[Iliescu] I perceive it as a responsibility to our society, as a mandate that compels me to do everything in my power and to make every possible effort to fulfill it.

[Novaceanu] Did you think that the world could change so fast, that Europe in particular could change so fast? A few years ago, for example, did you feel any sense of inevitable change coming up, or....

[Iliescu] I felt that this was inevitable. I couldn't say that I pictured this process in its entire magnitude, or the speed with which it recently unfolded.

[Novaceanu] Do you think that Europe can develop and advance from now on without, let's say, the interference of the big powers that have often weighed down on it?

[Iliescu] This is what everyone hopes, although the disequilibriums that have occurred in the world have singled out one superpower that seems to be dominating the contemporary world....

[Novaceanu] Was our fate really decided in Malta, as so many are saying?

[Iliescu] I don't believe that speculation. I see no evidence in support of such an assumption.

[Novaceanu] Do you think that the Gulf, which is costing us so dearly, can have an influence on the future of Europe?

[Iliescu] Not only of Europe, but of the entire world. The world is of course still concerned with the explosive aspect of the Gulf conflict. I hope that the confrontation will be averted, because it would be a disaster for both the countries in that area and for international peace. I hope that in the end a political solution will be found to the conflict which in any case will not be without consequences for the international situation and the balance of forces.

[Novaceanu] Do you consider yourself in a way responsible for what has been happening in Romania in the past 12 months?

[Iliescu] This question was also asked in Parliament by a deputy belonging to the young wing of the Liberal Party, Tariceanu, in connection with, as he put it, "the president shouldering the responsibility for the political acts of the past 12 months." First of all I want to state that I never denied responsibility for my acts. But I cannot assume the responsibility for what I didn't do, because I perceive in this wording hints of other accusations leveled at me or of suspicions fanned about the role that I allegedly played at various still obscure points and in connection with a so-called plot that was allegedly prepared in the shadows and failed. To begin with, as I said on other occasions, if such an organized plot had existed, intended to topple the Ceausescu regime, and had been at the root of the December reversal, it would have been a point of honor before the nation and history. Secondly, the statement about the revolution having been seized by the team formed immediately after 22 December is also political speculation—everyone knows in what conditions this team was formed, out of people who had not had any previous communication. Nothing of what is being said has a leg to stand on.

A revolution cannot be seized. It either exists or it doesn't. The changes that have been made in Romania have been a genuine revolutionary process. As for the

violent incidents and the rumors that they were provoked by the leadership and thus that I had such a diabolical mind that I could every time stage such incidents in order to then use them against the opposition: These are political speculations that have nothing to do with reality. What leadership in the world, carrying the political responsibility for the country's affairs, can stage such incidents for which it is then held responsible? For example, people say that the idea to bring the miners to Bucharest was Iliescu's. That I asked the miners to come to Bucharest and do what they did. All I did was take public measures known to everyone, so these accusations have no basis. What happened on the 13th is well known, and what I said about the events of the 13th and the threat inherent in attacks on public institutions only three weeks after elections, after the electorate had its say on the institutions elected, I think is still valid. Actually, the violent incidents of the 13th and the failure of the bodies of order created a state of general anxiety and worry, and the appearance of the miners, which was not the first, was an action of human solidarity. Which does not mean that I approved of the violence in which some of them allowed themselves to be involved. As is known, I distanced myself from every act of violence.

[Novaceanu] Weren't the miners manipulated?

[Iliescu] No. The miners are a category of people that cannot be manipulated. They are the category of people who rose against Ceausescu in 1977. So there was no question of manipulation there. It was a sentiment that they expressed more than once about the political situation in the country.

[Novaceanu] I was referring to rumors that former securitate members were planted among the miners.

[Iliescu] The parliamentary commission holds several documents along that line. Some documents talk about ransacking the offices of the National Liberal Party long before the miners came in. The same about the offices of the National Peasant Party, the University, and the School of Architecture. It is equally true, however, that at some points the miners were incited and egged on. Some people took them by the hand and brought them to the offices of certain parties or politicians. Like the ones who were taken to Mr. Ion Ratiu's. The three men who led them to Mr. Ratiu's home are now under arrest. I keep being told that I thanked them. I thanked them twice: When they arrived, because it was their way of expressing solidarity with the legally established institutions, when I also appealed to them not to get involved in provocations, and the second time when they left, at midday on the 15th, one purpose of which was to bring them to leave the city and let the forces of order take over and do their duty. I had no information at the time and it wasn't the place to scold them. As a matter of fact, I stated all that before the parliamentary commission.

[Novaceanu] We thank you, Mr. President, for your time and for the frank nature of this discussion.

* Demands of Bucharest Students' Convention

91BA0181B Bucharest ROMANIA LIBERA in Romanian 15 Dec 90 p 2

["Program of Demands of Bucharest Students' Convention"]

[Text]

I.

1. Official condemnation by the Romanian Parliament convened in special session of the RCP and the Communist regime imposed by armed force by the Stalinist-Soviet regime.

2. Establishment—at the request of Parliament—of a (both moral and penal) tribunal to pass judgment on all the RCP's activities since its establishment and until its disappearance from the political arena; determine the culpability of the party and state aktiv (members of the Central Committee, Political Executive Committee, and Council of Ministers); investigate all the activities of the State Security Department [SSD] since its establishment to date. Arguments:

a) From its very inception, the Romanian Communist Democratic Party (which became the RCP after successive transformations) was a terrorist group initiated, led, and financed by a foreign power hostile to Romania. For a long period of time its declared objectives were to undermine the state order, dismantle its democratic institutions, and tear the country apart.

b) Its ascent to power was achieved by means of an unbroken series of crimes, blackmail, and illegal actions.

c) After seizing the power in the country, the RCP became guilty of:

—attempted denationalization of the Romanian people;

—complete subordination of the economy to the USSR;

—physical and cultural genocide by means of: mass internment of Romanian citizens in prisons and extermination camps; starvation; deprivation of the most elementary living conditions; destruction of the cultural and religious traditions and institutions of the Romanian people;

—enslavement of the individual to the state in the interests of the group of activists in power;

—conscription of millions of people in the structures of the communist party and its organizations by means of pressures and blackmail.

II.

1. A public investigation to establish the role played in the reprisal of the December revolution by:

a) The Interior Ministry (publish the number of units and the names of the commanding officers who fought against the people);

b) The Ministry of National Defense (publish the number of the units and the names of the commanding officers who fought against the people);

c) Provide a Civic Commission with information concerning the role played by members of the SSD implicated in the December events;

d) The official position of the Ministry of National Defense on the events of 16-22 December 1989 and on the scale of involvement of the Army in the reprisals against the population.

2. A Parliament-initiated investigation to establish how the power was seized by the National Salvation Front [NSF] and the political past of this political party.

3. Determine who was responsible for the armed confrontation of 22 December 1989-3 January 1990.

4. Furnish the existing data on the events of Tirgu Mures to a local commission of citizens which will investigate them and publish a report.

5. President Iliescu to publicly answer questions concerning his role and position in the 13-15 June events.

Explain the position he took in his addresses to the miners on 14 and 15 June, when he publicly endorsed the violence committed by the miners' troops and the violation of the law.

6. President Ion Iliescu's impeachment by Parliament and an investigation of his role in the 13-15 June events.

7. We request the National Defense Ministry to declare its position concerning the role of the Army in the 13-15 June events.

8. An explanation by the prime minister to Parliament, in open session, concerning the government's passivity toward the violation of legal order on 14-15 June.

9. Indictment of the Romanian Television (through its management) for the nefarious role it played on 13-15 June: aggravated disinformation, incitement to violence, and apology of violence.

10. Determine the responsibilities of the president and government for the enormous material and emotional damages inflicted on the country by delaying foreign aid because of the role played by them in the 13-15 June events.

11. We request from the government a report on expenditures in the 1989-90 fiscal year, and a report on the cash relief received form abroad, the Libertatea bank account, and the assets of the RCP, the Romanian General Trade Unions, the Union of Communist Youth, and the Union of Communist Student Associations of Romania.

12. Real and coherent implementation of a program of fundamental economic changes.

III.

1. Urgent organization, under a Parliament decree, of a national referendum on the country's form of government and constitution.

2. A thorough report on the establishment of the Romanian Intelligence Service [RIS], the selection of its officers and troops, its duties, hierarchy, financing, and activities since its establishment to the present (including specific data).

3. In view of the ambiguous and alarming communiques recently issued by the Ministry of National Defense, we request the ministry to clearly spell out its duties.

4. A thorough report on: purging the Prosecutor's Office, the selection of its officers and staff, its duties, hierarchy, and activities since 22 December 1989.

IV.

Failure to resolve these serious problems in Romanian society must inevitably lead to the dissolution of Parliament, resignation of the president and government, early elections, and formation of a national unity government.

Should the leadership fail to produce real answers, we call on all the students in Romania to show their solidarity by means of protest actions in the form of a general strike.

Defense Minister Comments on Army, Securitate

AU0701191291 Bucharest ROMPRES in English 1720 GMT 7 Jan 91

[Text] Bucharest, ROMPRES, 7/01/1991—The Army: before the revolution, it was strictly politicized and, according to its rules, it was compelled to "implement the party policy". Poorly equipped, having obsolete combat equipment and precarious training and living conditions, it underwent marked degradation within the system of national values. Starting 1986 the rations were drastically cut down. The military were used in farming, construction and other spheres to the detriment of their training and by violating military rules.

Now, as the defense minister's statements show, in view are the "modernization, democratization and reconstruction of the Army", over a two-to-three-years period as a fundamental state institution. The declaration of principle of the Steering Council of the National Salvation Front [FSN], the ruling party, while referring to Army and national defense questions, shows that, "in accordance with the principle of depoliticalizing the Army, it shall never take action against the people and shall never let itself be drawn by any person or party into missions of repressing the population. The Army shall never be used against peaceful anti governmental demonstrations or against strikers."

Despite all this, in December, when the law regarding the organization and functioning of the Higher Defense

Council was voted, the parliamentary majority rejected an amendment made by the opposition whereby the Army was forbidden to use fire against peaceful demonstrators (delimited in the amendment by organized gangs).

Measures have been taken to eliminate the injustice the former regime had done to the Army as well as to improve the military's living and training conditions.

According to the election law and to the defense minister's orders, the military have the right to freely express their political option during elections but they are not allowed to adhere to any political party.

In connection with the "modernization, democratization and reconstruction" of the Army, various opinions and even organizations and associations have emerged. An episode that aroused evident reactions was the emergence and, afterwards, the forbidding of the Action Committee for the Army Democratization (CADA). The CADA member officers demanded, inter alia, the elucidation of the Army's role during the events in Timisoara, the Army's screening of the compromised senior officers, the Army's depoliticalization the Army's non-use against the people. A highly controversial aspect is the military's mission in a state of law: to defend only the country's frontiers and integrity or the legally constituted power and public order alike.

The Securitate: it was the major instrument of control over the population and the economic, social and statal organization. Owing to the prerogatives it was assigned and it assumed, it became the principal power in the country in front of which even the high state officials were trembling. Deeply infiltrated into all the economic and social spheres, the secret police was an organization with several departments, with direct repressive functions, with espionage and counterespionage functions. It had its own troops, collaborators and informers. It also subordinated special troops. Its precise organization, the number and attributions of its departments as well as its employees, collaborators and informers are still unknown. According to official disclosures, more than 14,000 military and 1,000 civilians were working in the former State Securitate Department before the revolution. For the common citizen, the Securitate was an omnipresent reality in any aspect of its exstence.

The idea was being vehiculated that Ceausescu's regime could be toppled only if it took part in it or knew about it.

Under the Decree No. 4 issued soon after the revolution, the Securitate bodies passed under the Defense Ministry's subordination. Subsequently, according to the Decree No. 33 of December 1990 the State Security Department and all its central and territorial units were abolished.

On April 24 the Romanian Intelligence Service (SRI) was set up to fulfill only counterespionage tasks in accordance with the founding decree. Seven months later, the SRI director, Mr. Virgil Magureanu, read a report before the Parliament, which gave several points on the troops taken by the SRI from the former Securitate bodies following a survey made with a view to submitting the legislative body a law regarding the institution's organization for approval. As he stated, nearly 6,000 cadres were dismissed or set in reserve after the revolution. The SRI took over a quarter of the former intelligence service. All the technical means used by the former Securitate to intercept telephone calls were removed and taken by the Defense Ministry. The SRI has data on the existence of a large number of suspects belonging to extremist and terrorist groupings, on some hundreds of threats posed to certain political personalities as well as on the activity of foreign espionage services for the infiltration of their agents in Romania (though no specific point was given).

Increase in Peasants' Incomes Examined

AU0701171291 Bucharest ROMPRES in English 1345 GMT 7 Jan 91

[Text] Bucharest ROMPRES 7/1/1991—According to studies made by statisticians, the average total income of a Romanian peasant family in last year's first semester was 2756 lei. Per categories, this income is as follows: 3559 lei for a three-person family of cooperative farmers, 1998 lei for a non-cooperative peasant family and 1375 lei for a family of retired cooperative farmers.

Comparing this income with the one from 1989's same period, the average income per peasant family increased by 836 lei 1137 lei for the cooperative farmers, 275 lei for the non-cooperative peasants and 431 lei for the retired cooperative farmers. The main source for the peasants' income was agricultural work, which accounted for 59.6 percent of the total.

It must be underscored that the monthly income of the Romanian peasants over the whole year is indisputably bigger, owing to the profits made from the autumn harvest and the much greater quantities of agricultural produce sold on the market.

* Skepticism About Government's Economic Plans

91BA0165A Bucharest ADEVARUL in Romanian 8 Dec 90 p 3

[Ion Teodor article: "Government Outlining Possible Scenario for 1991"]

[Text] At the government's meeting last night, which ended at a rather late hour, we nevertheless perceived, through the heavy mist of a dreary December, a first ray of hope about the future of our economy. So let us try to be optimistic while scanning this version of the economic program for 1991 which offers to both economic factors and the population a—hopefully realistic—image of a possible development strategy for the country in the coming year.

This program version, which was preceded by three others and in which the National Commission for Economic Forecasting, Planning, and Conjuncture endeavored to predict economic tendencies on the basis of a possible bottom limit—that may be described as optimistic—is based of course on many calculations that conjured up several alternative scenarios. It may thus appear, dear readers, that we are playing with figures, but please pay attention to them and believe us, this is no game, because the ante is our chance itself, a chance that may be better than the future or the recent past, visited by more than a few fears and great doubts.

Thus, proceeding from a certain estimate of the results expected to be obtained by the end of this year, which we take as a point of reference (any comparison with 1989 is from now on not ony futile, but embarrassing as well), let us reflect for a moment on the development program version that the government offered us for 1991. Thus, the increases envisaged are 4.8 percent for the gross national product; 3.3 percent for industrial commodities production; 13.4 percent (?) for steel production; 6.1-9.3 percent for investments; 38.5 percent for export; and 5.6 percent for production imports. The government's wager on agriculture relies on a 5.2 percent increase in overall production. The only drops expected in the major macroeconomic indexes are 4.7 percent in processed crude oil; 7.1-10.4 percent in constructions, and 0.4 percent in overall imports.

Of course much can be said about the basis for these calculations, i.e., about the work we did and the results we obtained this year, but also about the increase rates suggested, because as we can see, the increases predominate. But we have enough time to pass value judgments and therefore, considering this year's experience we feel tempted to state that the problem is not whether the percentage points are high or low, they can still be modified, but whether we can achieve what the government invites us to achieve. We are pondering this problem, or rhetorical question if you wish, not because we have already developed a passion for this program, but because when it comes to the economy things tend to form a chain of reactions, so to speak, and if a certain level of production is not achieved at a certain cost level, neither can a certain pay level be attained, nor will we see store shelves full of what we can now not find in them.

With this in mind we can proceed to more carefully read that the government suggests we raise labor productivity by 13 percent (in other words, to 657,600 lei per person), while overall expenditures per 1,000 lei industrial production-commodities (note that, as per our reading, the industry is no longer republican) should drop by 17.4 lei. Will we be able to attain those levels? Hard to tell, but if we drop under those limits (we're not talking about costs) we won't be able to raise the people's overall cash income by....60 percent (!) in terms of the average salary foreseen 1990 and compensating price hikes by indexing salaries and pensions in proportion of 70 percent. Do not be startled because, even with this kind of pay increase, the government estimates that consumer sales will increase only 0.8 percent (?) and consumer services by 3.7 percent....

We guess you're tired of reading figures, so we will only add that 1991 is expected to show a deficit in the foreign balance of payments of no less than $2.3 billion. The government does tell us how this deficit will be covered, but we think and hope that it (the deficit) won't be as high as that. Everything depends on what each one of us will think after reading these lines.

It is late, the article has to be sent off to the printers, and outside it is dark and cold. We hope that you will be reading it in a more optimistic atmosphere and that you will perceive the ray of hope that we glimpsed on the horizon of 1991.

Moldovan Official Expresses Gratitude for Support

AU0701192191 Bucharest ROMPRES in English 1831 GMT 7 Jan 91

[Text] Bucharest, ROMPRES, 7/01/1991—I am very grateful to Romania's Parliament for the motions issued by it in token of support and solidarity with the efforts of the majority population in Bessarabia who firmly and steadily campaign to maintain the Republic's integrity, stated to a ROMPRES writer Iurie Rosca, chairman of the Executive Committee of the Council of the People's Front of Moldova, now on a brief visit to Romania. In this connection, I am glad, the guest said, that Romania's Parliament has clearly expressed its support for two of the declarations of the organization I am representing, the People's Front of Moldova.

In connection with the stand of the People's Front of Moldova vis-a-vis the complex present situation of the Republic of Moldova, Mr. I.Rosca said that the People's Front was not an opposition organization, did not work against the Supreme Soviet or against the government of the Republic of Moldova. "We call on big masses of people, the Romanians in Bessarabia, to fight against imperialism, against communism and will continue in this way as long as we will live under foreign occupation. We are for the decolonization of the occupied territories and from our point of view we are resolved not to allow the selling of Bessarabia to the union without offering resistance. Or else, we will not be forgiven by our forefathers who were killed and thrown into lime tombs, as well as by our children who want to live in freedom. Now it is an historic moment in which we can regain our freedom. I regret that there are some leaders in our republic more hesitant, less firm, who are not just as clear and unequivocal in approaching issues as the Baltic leaders were. Obviously, we also have stern leaders, whom we fully trust, for instance the prime minister, Mr. Mircea Druc.

About 800,000 people gathered on 16 December 1990 in the Central Square in Chisinau to attend the great national assembly called by us. They clearly declared for

full sovereignty, for independence, against the signing of the union treaty, against imperialism and communism, or this generates optimism.

*** Romanian Ambassador to Hungary on Ethnic Issues**

91P20050A Bucharest TINERETUL LIBER in Romanian 25-28 Nov 90

[Interview with Simion Pop, Romanian Ambassador to Hungary, by Carolina Ilica; place and date not given: "Not Telling the Truth on Time Is the Same as Betrayal", Part I]

[25 Nov pp 1, 3]

[Text] Since, after 22 December, the nationality problem has become one of the most serious problems facing Romania and since the incidents in Tirgu-Mures in March went far beyond "local" bord s, we have sought the opinions and direct statements of the Romanian Ambassador to Budapest [as published], Simion Pop.

[Ilica] Ambassador Simion Pop, how were you received and regarded in Budapest in March 1990 when you presented your credentials?

[Pop] I was received politely, but with caution. They did not know where I stand. I told them that I came with a great openness to what is good, to be objective, lucid, and impartial judging Romanian-Hungarian phenomenology; not as a professional diplomat, but as a man of culture with good faith, as a Transylvanian—born and raised in Transylvania, a person who knows Hungarian literature and history since I learned the Hungarian language, first of all, on the streets with children in the neighborhood, and then, in school, where I learned the language quite well since I was forced to remain under Horthyistye occupation, after the diktat of Vienna; my relatives were peasants, people connected with the earth, so they did not leave their hearth. In the Stu Mare secondary school—which had been transformed overnight into a Hungarian secondary school—it was very difficult for me, especially during the first year, to get along in the Hungarian language; I had to take the exam twice and, over the summer, in a stroke of pride, I learned the entire Hungarian grammar book easily. I was in Class C, for beggars, and persons with bad reputations—because this is the way things were set up; Class A was for the offspring of the "mother country," of Hungary, of the authorities sent to be the leaders in Transylvania; Class B was for the children of the Hungarian notables of the city and Class C had Vlachs, Jews, Swabians, Saxons. For those in Class A, education was free; for Class B, there was a fee; and for those in Class C, the fee was five times as much. To support myself, I worked on the railroad each summer, with a pickaxe, and my father sold all our wheat for the year, our entire harvest, to keep me in secondary school, so that he could pay the enormous fees for me.

This memory has no significance besides its literary one; I have forgiven, but I have not forgotten. I cannot and I do not want to forget what the Horthyists have done; however, I do not identify them with the Hungarian people.

[Ilica] How were the events in Tirgu-Mures, in the middle of March, reflected in the vicinity of and in front of our embassy in the capital of Hungary? I read the ROMPRES news reports about an attempt to set fire to the residence.

[Pop] Yes, spirits were inflamed, the street was flamboyant, and the demonstrations were aggressive in front of the embassy. Dialog seemed to be impossible. Assuming for myself all the risks, I received the "representatives." But the real sad situation was somewhere else: No wing of the Hungarian press made an effort to show objectivity, professional conscientiousness, and political realism, by agreeing to inform Hungarian citizens from sources other than MTI [Hungarian Telegraph Agency], more precisely, from Romanian sources, even from opposition sources, if this would be beneficial.

[Ilica] In the fire of the Tirgu-Mures events there were representatives of more than 50 foreign television networks who "smelled" something in time or who were simply "invited" (the majority knew Hungarian). But our television—although it had a reporting car in the capital of Mures County, left over from the "Hymn to Romania" competition—"shrank" from disturbing the peace with the truth truly captured at the moment.

[Pop] The Romanian press—and what was seen, spoken and written—was as though it did not exist. It was present in the events only through statements and complaints, without a hard examination of the events, going from cause to effect. The Hungarian press and the international press described only the effects, giving them a unilateral interpretation. May God forgive me but I can bet that, even in the fire of those tragic incidents in Tirgu-Mures and in other earlier events over the entire sacred territory of Transylvania, there were, without a doubt, at least ten times more Hungarian newsmen and hundreds of times more international newsmen. What is the reason for the lack of interest and indolence of the Romanian mass media who were not there to reveal the truth and to expose a "well arranged" scenario: setup by whom, for what purpose, with what effects? Once again, it is a matter of the state of our defense. Especially since antecedents exist: Horthyism, the invasion of Transylvania by the "Rongyos Garda" (Ragamuffins' Guard). Our intermediary authorities are more at fault for having been silent for weeks and months about some horrors which would have frightened all of Europe, which would have aroused the sensitivity of the world.

[Ilica] Mr. Ambassador, there are some people—among them there are even writers with great pretensions—who, after all that has happened and is still happening in our Transylvania, maintain that, in fact, the "ethnic problem" is a false issue, an attempt to take attention away from the great difficulties of the present period.

What are we to do when, for some, Transylvania is no more than a "lump of sugar?"

[Pop] From the perspective of the democracy which we have achieved, at least in the conceptual and moral-psychological aspect, the interim rule of the transitional organs must not, in any case, provide an opportunity for wavering attitudes on vital issues of public life. Considering that the problem of the coexistence of different ethnics in a state of law, like the one we are building, is fundamental and its handling by politicians and by decisionmakers must take place without half-measures, calling things by their proper name, good and bad, just like in life. Too many incidents or accidents in relations between the Romanian minority and majority have—intentionally or unintentionally—been hushed up, and as a result, things have evolved badly. The hard truth should be told in time, whether or not it pleases one of the parties involved, so that public opinion will be aware and will not be manipulated. After two or three weeks, you say that this man, who was hit on the head and kicked, and was lying on his back unconscious, was not a Hungarian—as it was said hundreds of times on television channels in the world—but the Romanian Cofar.

[Ilica] How did you, as a diplomat, and as a man of the arts, receive that delegation of writers from Romania, invited at the very time in March when Cofar—and many other Transylvanian Romanians—were beaten like dogs, while the "Hungarian variant," which spoke about an organized genocide against the Hungarian minority, was propagated rapidly in the world? How did it affect you, Mr. Simion Pop, when your confreres "were ashamed," in Budapest, because they were Romanians, when they stated that the argument of historic truth is antiquated at the end of the 20th century? While, of course, scores and scores of anti-Romanian "history" books were being published in Hungary.

[Pop] History is a fundamental science, not only for each people, for each country separately, but also for relations among them. At the very time that the Romanian-Hungarian dialog arrived at an explosive stage, some Hungarian officials competed in denouncing Trianon, on the one hand, saying that they were not thinking about changing borders, and, on the other hand, lamenting the "injustice" done to Hungary, seeking "understanding" for her pain.

For us, Transylvanians, God knows, it is very clear! But the brothers in the southern part of the country do not carry in their blood, in the genes, the tragic fate of a Transylvania which is forming itself. The historic truths of Transylvania are known to all Romanians, regardless of the cardinal points, but as for feeling, not all can feel them. Hundreds of books appeared in Hungary with the intention of disturbing the spirits and minds of so many people and to bring up once again what is called today "interethnic development."

[Ilica] How are such books received by ordinary Hungarians?

[Pop] The majority of the Hungarian people receive this "literature," these "sensational" notes, these "bomb" publications, with indifference. But I hasten to add that there are many circles of chauvinistic or irredentist origin, which receive them rejoicing, putting into play sentiments which, in the most frequent cases, disturb our Romanian national dignity. But, what is more disturbing, important political personalities, "first line" personalities, as they say, joined this irredentist stream.

What more can you expect when even the president of the neighboring country, Arpad Goncz, was able to put his name on the cover of a Horthyist book, *Transylvania—Past and Future*, which he translated and for which he wrote the preface. By the text of the Constitution and by mission, the role of a president elected by Parliament is to act as a moderator and mediator of democratic forces, forces which would lead the country toward good neighborliness, toward understanding. But the action of President Goncz does not agree in any way with the aspirations stated in the Hungarian Parliament and chanted publicly on the road to a new Europe. The assertion that Romania's road to Europe must pass through Budapest is just as offensive!

In the order of the same type of amazement and astonishment there is the proud statement of Hungarian Prime Minister Antal, who proclaimed himself premier of then 15 million Hungarians who live not only in Hungary but also in Transylvania, Slovakia, Serbia, the United States, Canada, and Israel. In the framework of what juridical norms of interstate relations could such ambitions be inscribed?

My role as a diplomat, a writer, an observer, is not to give responses. But it is to analyze with lucidity and objectivity. But, the involvement of state and government officials—no matter where they might be—in such a crusade of passions can lead to danger and misfortune.

[27 Nov pp 1, 3]

[Text] Romanian-Hungarian relations are still quite tense. An "imperial" arrogance, as though the neighboring country cannot and does not want to forget the Romanian territories caught in the claws of the bicephalous empire of other times—territories which, in a concealed manner or openly, it is trying to have trusteeship over, even now when there is talk (suspect in the views of many) of a common European home.

[Ilica] Ambassador Simion Pop, we talked about the scores, even hundreds of anti-Romanian, irredentist, chauvinistic "history" books which have been published in recent years in Budapest; about the arrogant statements by persons high up in the Hungarian Government or state hierarchy. In the summer, there was even heard "a clash of arms"—to use the same ironic formula from our press—combined with a sort of "calling to account" of the Romanian Government. But is there no medicine for this "imperial" illness, even at the end of the second millennium?

[Pop] Today's Hungary is experiencing a period of exultation as a result of the Europeanism to which it has pledged itself. The processes for its integration in the new Europe are real, worthy of all esteem, obtained by an intelligent strategy and a multivalent cooperation. For this reason, "jumping over the horse" in relations with Romania is an outmoded and caricaturized gesture.

This irredentist-chauvinist revival occurs at the very moment when, in Europe, the countries which have broken with totalitarianism and dictatorship have the great historic opportunity of working together, by consensus, in the common European home. What can be more in the European non-spirit than to obsessively look for the real or imaginary foibles of your neighbor, about which you hyperbolize until it becomes ridiculous and grotesque?

Can the virtues of Hungary as a European country increase, literally and figuratively, through the obvious and obsessive disparaging of its neighbor to the east, Romania, with which it is "sentenced" by history to coexist, to be a neighbor, to cooperate, and to tolerate? What good is it—in important moments of national and continental history—for Hungarian officials to state publicly, with insistence and lack of understanding, that Romania is a second class or third class country and that it should not be thought of as a European country but should be driven into the category of states which migrate toward Asia.

In the diplomatic dialog, regardless of the seriousness and temperature of the events, there is no place for an arrogant tone, for a reply from a position of strength. On the contrary, the cooperation of different political factors, including the cooperation of the minority with the majority, should be in the uppermost position. The majority of the Hungarian mass media organs report tendentiously and unilaterally on Romanian realities, letting themselves become involved in the costly war of chauvinist and irredentist passions. On the other hand, the Romanian mass media organs content themselves, I might say, with a prolonged anticipatory and defensive effort. We Romanians, because of the arguments of reality and because of the actions which have occurred will have to be involved in a revealing offensive on the scales of the Romanian-Hungarian dialog. But the opposite sometimes happens. The psychology is approximately as follows: We stop, we see what is happening, we examine. While the lie takes a form and becomes stronger, national and international public opinion react emotionally and unilaterally, and once the event is received in a dramatic or tragic manner it is very difficult, if not impossible, to give it its true interpretation, even if you come with the justice of God and of your people. You cannot treat the hard phenomena of sociopolitical conflicts in the manner of Jesus. If the truth had been told in time, if the tragic deeds had been brought to the attention of the public and before the eyes of everyone, immediately and without reservations or false scruples, then our knowledge about the so-called "events in Tirgu-Mures" would have been different and there would not have been so many zig-zags. In addition, the propagandistic strategy of some chauvinistic circles would not have been able to gain so much ground.

Many Romanians enter into this Romanian-Hungarian dialog (which is quite confused and undermined!) with a simplistic and caricaturistic position which can be summarized as follows: The Hungarians want Transylvania, we will not give it to them, and they will never have it! On the other hand, Hungarians in Hungary who have good sense say: We do not want any part of another country, we do not want any Transylvania! But things are more complicated, like a web with a great number of threads!

[Ilica] Mr. Ambassador, there has been much talk and there still is about the "injustice" done to the Hungarian minority in Romania and the "Hungarian nation" in Transylvania, as some of those who are trying to make Romania a "multinational state" boldly say. What is the situation of the national minorities—especially, the Romanians—in Hungary?

[Pop] The Hungarian mass media, especially television, in the Friday "Panorama" program, relatively frequently present the Romanian minority in Hungary as being, if not prosperous, at least with all the rights and provisions they need. But between this image and reality there are important discrepancies and distinctions. They arise, in the first place, from the very essence of the issue, that is the rights of the citizen. Let me refer to the most important one: the right to representation in government organs. Let it be clear to everyone: No minority in Hungary, including the Romanian minority, has a representative in the Hungarian parliament, so it does not have any elected representatives to exercise its will in the adoption of the laws of the country, by voting, like in all the parliaments of the democratic countries in Europe and the rest of the world. This is a fundamental defect, which gives rise to many others which I do not have time to list here; it would require an entire study! In addition, leaders of minorities in Hungary, including those from the Union of Romanians, have often protested against the insolence of the Hungarian television and newspapers in sweetening the situation and the public life of the minorities.

As for the number, contradictory figures are being circulated. For the Romanian minority, very approximate figures are used, ranging from 30,000 to 10,000; despite the fact that, only two decades ago, the figure 75,000 was given with certainty. Where are the rest? The process of the Hungarianization of Romanians in Hungary is a laborious and undisputed process, a long-range process which continues today by the same means or by other new means. It is certain that Gypsies form one large minority in Hungary, Germans another, and, of course, there are Slovaks and Serbs, especially in the areas close to the Czech and Slovak Republic and Yugoslavia.

However this question should not be asked of the Romanian Ambassador in Budapest but of the Romanians in

Hungary themselves, who might respond abruptly as follows: "Never in our wildest dreams could we have desired to gain and to exercise, on a daily basis, the rights which the Hungarian minority exercises in Transylvania. In addition, we have heard that demands for these rights are increasing in an unlimited manner, regardless of whether the concrete situation of post-revolutionary Romania permits this or not."

It would be honest and fair and objective to weigh the concrete situation of both minorities living in Romania and in Hungary, on a comparative and evaluative basis. But no minority can demand more rights than a country can for its nation—for the majority population. However, the majority-minority relationship should be understood, in my opinion, in perfect balance of rights and reciprocal duties, in accordance with absolutely necessary interactions and not on the basis of separatism and working on one's own account.

The tendency to establish political groupings, unions, associations, groups, and foundations, etc., solely on ethnic criteria, and then, according to the times and circumstances, to declare them unions with a certain orientation or even political parties which, invariably, will express the will of a single category, seems to be illogical, hasty, and confused; I am referring to the UDMR [Democratic Union of Hungarians in Romania] and not only to this union.

[Ilica] But, in regard to the statute on national minorities, shouldn't we respect international treaties first of all?

[Pop] By reducing the number of words, I am trying to formulate a response which will include both the essence of the idea of reciprocity and the internationally sanctioned rights: It seems absolutely natural to me that the problems of a minority in a country in relation to another state should not be settled out of hand and should not be resolved obligatorily and obsessively on a bilateral basis, by imposing demands emphasized by specificity and taken out of the context of the rights of all minorities (rights accepted by international convictions and consensus). Of course, each minority has its own specificity, but exactly for this reason—and here we should refer, once again, to the "Charter on Human Rights" and other similar documents, which Romania and Hungary signed—specificity and distinctive characteristics must resound together in concert and in consensus of all the minorities living in all countries and not with artificial differentiation and divisions, especially of values and rights, which some extremist circles are attempting. Otherwise, one cannot conceive of a united Europe, the home for nations in which all minorities—regardless of their size, their geographic area, and their mother language—should have equal, inalienable rights. Therefore, it is not wise that Hungarian-Slovak relations, for example, should have the same level of resolution as Romanian-Hungarian relations—in the realm of the life of minorities, for example—as well as in regard to the other bilateral issues which affect neighboring countries.

[28 Nov pp 1, 2]

[Text] We have left for last one of the most important issues: Education. School separatism was perhaps the first and the most serious post-revolutionary mistake, an underground attack on the Romanian language as the official language of the unitary Romanian national state.

[Ilica] Mr. Ambassador, as you know, a few days after the overthrow of the dictatorship, the representatives of the Government of Hungary came to congratulate the provisional Government of Romania. We understood—from an interview given by your counterpart, the ambassador of the Republic of Hungary in Bucharest at that time—that the new government of revolutionary Romania did not take into consideration the Hungarian "indications," our duties and obligations towards Hungary, connected with the 22 December 1989 victory and, as a result, the dissatisfactions of the Hungarian minority which reached their high point in March, in Tirgu Mures.

[Pop] I encountered this aspect of the interpretation of the Romanian revolution in December 1989. I believe that we have only one obligation: To thank Hungary for providing material, medical, and other assistance. In the first days after 22 December, these "thanks" were expressed at the appropriate time, since the Romanian people know how to express gratitude for acts of solidarity. But, I know what you want to tell me—that this assistance went to specific addresses, and was only for the Hungarian minority, and that the packets contained not only food, clothing, and medicine. The issue is nonpolitical, if not strange. However, I want to refer to another aspect: the fact that minorities, such as Hungarians, Germans, Jews, or Gypsies in Romania participated in the success of the December Revolution alongside the great majority of the Romanians—but that's another story! We must not sing Hosannas to who knows what country—Hungary, Germany, or Gypsyland, for example, if such a country existed. We say thanks, in equal measure, to all those who participated directly in the fiery and tragic events of December, which resulted in so many sacrifices and deaths. That is, we say thanks to our fellow citizens, regardless of nationality.

[Ilica] Mr. Ambassador, what is your opinion of the "right" of the Hungarian minority in Romania—gained by the use of the club, in Timisoara, in March—to have separate schools and education, to separate their children from our children, as if we had the plague? All these things seem even more illogical to people on the outside, in other countries or on other continents, who cannot believe that in Romania a minority is committing aggression against the majority people.

[Pop] From the beginning, I have been against separatism in education. The right of pupils from the Hungarian minority to use their mother tongue—for the purposes which logically demand this—and to have their special culture is one thing but it is another thing to

demand the separation of education for ethnic considerations, which leads to results which are absolutely absurd. For example, to promote, with no criteria, on a strictly quantitative ratio, with everyone acting freely, higher education in all subjects in all the languages of the national minorities would be nonsense and would produce aberrant situations. In addition, let us ask a sensible question: In what law-governed state in Europe or beyond the ocean are there universities and faculties [with instruction] in the languages of the national minorities, with the organization of the teaching program in an autonomous and separatist manner, with no restrictions, and without objective criteria, breaking away from the rigidly calculated demands of the professions which the country constructs in a programmatic manner, after careful examination? School separatism can generate divergent guidelines which distort the very idea of education in a law-governed state, a unitary state which is in no way a multinational state, as some are trying to call it.

[Ilica] It seems absurd, but Romanians—especially those in Transylvania—are obliged to fight for their rights in their own country. [To fight] for the Romanian language as an official language, for the unity of the national state, for the unmasking of all those who attack natural "historic assets." This is how the Vatra Romaneasca Union came into being. Some "pro-Transylvanians" who belong more to Hungary than to our Transylvania, feeling that they have been unmasked and accused, even dare to demand its dissolution.

[Pop] Since I was in Budapest, on a diplomatic assignment, when the "Vatra Romaneasca" Union was set up, I was surprised and even shocked that the principal organs of the Hungarian mass media described it obsessively as a chauvinist organization of a Fascist type. In the interviews which I gave to them, there was no lack of the following question about the Union: We read the statute-program which states very clearly what "Vatra Romaneasca's" aims are to cultivate and develop the cultural heritage of the Romanians, the noble ideals promoted by the great spirits of Transylvania throughout history, to demonstrate the heritage of spirituality of Romania, in general, and of Transylvania, in particular, a Transylvania inhabited overwhelmingly by Romanians—regardless of what period of history to which we might refer—therefore, a spiritual hearth with distinct characteristics, which deserves the admiration of the whole country, of all the minorities living in Transylvania, and why not, the admiration of all the nations on our continent.

And, in my turn, I ask: How can you label a group as "fascist" when it has just begun, before it has been able to present its ideas, guidelines and concrete actions? And if it is a "chauvinistic," "fascist" group, how does it happen that Democratic Union of Hungarians in Romania thinks it proper to sit at the discussion table with "Vatra Romaneasca," seeking solutions together and even presenting joint statements? In addition, for the purpose of an honest elucidation, before the eyes and ears of public opinion. I believe that it would not be at all inopportune for the prestigious representatives of the "Vatra Romaneasca" Union to have an opportunity, even in Budapest, to confront representatives of the mass media or even Hungarian political leaders in free, rational discussions, well documented by logic or reality.

[Ilica] This Romanian-Hungarian interethnic conflict makes its way from other centuries; after 22 December it became like a volcano which erupts at different intervals. Recently, a group of Szekler co-nationals—lately, Szeklers, Gypsies, and even Ciangii [Hungarians in Bacau, Moldavia] have been moved by our Hungarians into their ethnic group! It seems that they have forgotten the well known "Supplex Libellus Valachorum" [Letter of Submission of the Vlachs] (whose 200th anniversary we will soon be commemorating), in which rights are sought for the Romanian Nation "Tolerated" in addition to the Three Nations "Recognized" in Transylvania; that is Hungarians, Saxons, and Szeklers—a group of Szeklers "controlled" the passengers on trains in the Transylvania area by the phrase "What time is it?", in Hungarian, of course; anyone who did not understand and did not respond in Hungarian was beaten.

[Pop] It is very hard to make predictions and to give a pertinent diagnosis of an illness which lasts a long time, with crises breaking out in certain historic circumstances. One thing is certain: Now, in post-totalitarian Romania we are able to and we must call things by their name, we must confront each other with the force of ideas and not with violence; we must re-establish the climate of reconciliation and cooperation among all citizens who live in Romania. Historians, politicians, administrators—all the people who have a "public" voice—would express themselves and work, not for a Messianic peace, but to speak the truth, as it presents itself, in all the areas of our interethnic coexistence. Failure to tell the truth on time is equal to treason, telling half-truths means disinformation, and telling the truth only to your own people means unilateralism.

Seeking a civilized, democratic dialog, it is not by chance that I left the next item for last; no one outside the country should interfere; each one should resolve his own problems in a moral manner; the linen should be washed by the family, as a Romanian saying states. This is also in the European spirit. Romania is a European country from birth, which has demonstrated in all the important moments of the history of the continent that it has known how to work through its outstanding personalities in consensus with the European spirit.

* Views of Head of Hungarian Group in Romania

91P20051A Bucharest ADEVARUL in Romanian 30 Nov 90 pp 1, 2

[Interview with Geza Domokos, president of the Democratic Union of Hungarians in Romania [UDMR], by Andrei Alexandru; place and date not given]

[Text] [Alexandru] What parties are included in the Democratic Union of Hungarians in Romania?

[Domokos] The Hungarian Christian Democratic Party of Romania, the Party of Hungarian Farms in Romania with headquarters in Cluj and Miercurea Ciuc, and the Union of Hungarian Youth Organizations in Romania. Each group preserves its entity in supporting the program platform of the UDMR. When the current tensions diminish, it is our desire to disappear and the UDMR will direct its attention, on a priority basis, to economic and sociocultural problems, and its political role will be reduced.

[Alexandru] How many votes did the UDMR receive?

[Domokos] About 1 million.

[Alexandru] How many members do you have in the Senate and the Chamber of Deputies?

[Domokos] We have 12 senators and 29 deputies.

[Alexandru] What is the political orientation of the UDMR?

[Domokos] Right of center. Of course, we are concerned with social security problems, we also share liberal ideas and we base our activity on Christian morality.

[Alexandru] How many members does the UDMR have?

[Domokos] About 600,000 members.

[Alexandru] Why did citizens of Hungarian nationality vote for Radu Campeanu on 20 May?

[Domokos] It is true that in Covasna and Harghita counties, in particular, Hungarians gave a massive vote to Mr. Campeanu but I believe that it was, rather, a vote against Ion Iliescu. This was because, beginning in February, the Hungarian minority had to discover with regret that Mr. Iliescu and the National Salvation Front were distancing themselves from the principles proclaimed in regard to minority rights. In addition, they share the views of some ultranationalistic forces and are allying themselves with them.

[Alexandru] A large part of the discussions dealing with Hungarian rights revolved around the subject of education. What is the current situation?

[Domokos] The situation has improved to a certain extent. Steps have been taken in a good direction; that is, schools and classrooms have been re-established in Oradea, Satu Mare, Timisoara and other cities. Another issue raised by the UDMR is the use of the mother tongue in the administration of the state, and in judiciary practice, including the introduction of bilingual inscriptions in those localities where the ethnic minority population is more numerous. In some places, this desire was taken into consideration. Of course, the official language in Romanian.

[Alexandru] For whom do you vote in Parliament?

[Domokos] For a good cause. Sometimes with the National Salvation Front, sometimes against it.

[Alexandru] Does the UDMR group feel isolated in Parliament?

[Domokos] Categorically, no! We have friendly, substantive discussions, during the breaks, with deputies of different orientations. It is always the same deputies who attack us. We have exchanges of opinions, even concordance of positions, with parliamentary groups from the opposition. In addition, we announced the UDMR principles at the beginning: We understand the obtaining and placing of minority rights in a constitutional framework in the context of the general development of democracy. We are fighting unequivocally for the sovereignty and integrity of Romania. We believe that our specific interests do not conflict with Romanian national interests; on the contrary, they give them a new dimension in the spirit of the new realities in Europe in the region in which we live.

[Alexandru] What does your heart advise you and what does reason advise you?

[Domokos] In my heart I am a Hungarian and I want to promote the values and rights of this minority. The reason and awareness of a man of the city advises me not to forget, even for a minute, the general interests of the country. I realize, however, that it is a matter of heritages which encumber the relations, sometimes painfully, of one party and the other. I believe that if the Hungarians were to gain a better knowledge of the history, values, and sensitivity of the Romanians, it would be in the interest of better understanding; also, Romanians would benefit if they were more receptive to our demands, if they would find out more about the history of the Hungarians and their contribution to the civilization of these parts. Mutual knowledge deepens mutual trust.

[Alexandru] Do you feel urged to do something which you do not want to do or which you realize it is not good to do?

[Domokos] I am urged, by part of the press, the aggressive, antidemocratic part, to renounce what I define myself by and what I should represent. On the other hand, there are some of my fellow Hungarian nationals who believe that I should have a more categorical attitude. I believe that we should be realistic, with good faith, toward all, which does not mean that we should not call a spade a spade, respecting the truth, and being prepared, at all times, to view our thought and deeds in a critical light. I put great hope in the youth of today and tomorrow, in those generations which are not and will not be encumbered by traumas and prejudices, like my generation, for example. These new generations will approach Romanian-Hungarian relations from a new, European perspective. So, in conclusion, in response to your question, we cannot accept the view that "we should set aside life and social development to find the proper solution for minority problems." But neither can the solution to these problems be forced irrationally. The most important things are a sincere, effective dialogue and the need for mutual respect.

[Alexandru] Is it true that there have been cases where Romanians have been driven out of counties in which Hungarians were in the majority?

[Domokos] There are three categories of Romanians who have left these areas. The first is composed of members of the former power structure, the local leadership, the Securitate, the militia, who, after the dissolution of these structures, were in an ideological and professional vacuum. A second category is composed of specialists, especially young people who were assigned to work in these areas, who, with the liberalization of the movement of the population from one locality to another, preferred to be closer to their birthplace. This is the way a large number of their Hungarian colleagues, who had been sent to the most distant regions of Transylvania, reacted. There is a third category of citizens, especially those who were involved in the denationalization policy of the former dictatorship. They were forced, by various means which the UDMR condemns, to leave their homes. A parliamentary commission which has recently been established will analyze these problems in detail.

[Alexandru] What adjective do you think would be most appropriate to modify the name of the Romanian state in the Constitution: national, multinational, federative or any other?

[Domokos] The best thing would be not to use any adjective—following the example of all the constitutions in Europe—so as not to arouse any resentment from any side.

[Alexandru] What do you think of President Iliescu's activity?

[Domokos] I am sorry to say that I do not understand it; unresolved postponed problems aggravate the situation. Also, we would have wished that some of Iliescu's main concerns would have been frankness in acknowledging his errors and the reassertion of morality in politics. Also, a real dialogue with society and with parliamentary and extraparliamentary forces would be necessary, no matter how contradictory the opinions expressed might be. We have had a number of meetings with the president but we have not obtained any concrete results from the discussions. Therefore, I say that the dialogue should be real and not formal. Perhaps it would be a good idea for Mr. Iliescu to meet more often with intellectuals, students, workers, and farmers who do not represent parties or organizations in order to learn their opinions and the possible alternatives for resolving the problems of society.

[Alexandru] What do you think about the Romanian Government?

[Domokos] It is so much concerned with economic problems that it can no longer think in sociopolitical categories. Therefore, the government programs, no matter how necessary they might be, appear to the public to be theoretical and academic programs which do not take into account the state of mind of the population, its capacity for understanding new concepts and orders, its readiness to bear the burden of radical changes. However, if society does not agree to support the solution proposed by the government and does not involve itself in supporting this solution with considerable effort and consciously-assumed austerity, then it will not be able to emerge from the impasse. In such situations, the extremes, both right and left, come to the surface and acute tensions and serious social dangers appear.

[Alexandru] Thank you very much.

I left this discussion with the feeling that Geza Domokos had a great burden on his shoulders: that of keeping the equilibrium. Perhaps it is not so hard to raise issues and to seek justification for the minority which you represent. The hard part appears when this must be done in the face of pressures from all directions. When everyone understands that energies must be channeled toward economic recovery and not toward mutual attacks, then tensions will disappear. But probably, new generations will be necessary before this goal will be fully achieved.

FEC Discusses Monetary, Foreign Exchange System

LD0701221591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1803 GMT 7 Jan 91

[All numbering as received]

[Text] Belgrade, 7 Jan (TANJUG)—At its 4 January session the Federal Executive Council [FEC] discussed a report on steps likely to undermine the country's common monetary and foreign exchange system, and arrived at the following conclusions:

I.

At the session of its chamber of associated labor on 27 and 28 December 1990, the Assembly of the Republic of Serbia passed a law enabling it raise a loan with the National Bank of Serbia and a decision to allow credits to ensure the liquidity of the banks. Both these documents were published in the "Official Gazette of the Republic of Serbia—Special Edition," No. 14 of 28 December 1990, under the strictly confidential and official secret label.

Under the law that allows the Republic of Serbia to raise a loan from the National Bank of Serbia, the bank will grant the republic a six-month new money issue loan to the tune of 5 billion dinars at a rate of interest half the Yugoslav National Bank discount rate. The loan would be used to remove fluctuations in the payment of contributions to pension funds.

Under the decision on credits to cover the liquidity of the banks, the National Bank of Serbia will grant the banks a three-month new money issue loan to the tune of 8 billion dinars at an interest rate equal to the Yugoslav National Bank discount rate. The loan would be used to meet foreign currency obligations stemming from foreign credits and to pay for imports, that is, for services and other relevant necessary items.

The same decision envisages that the National Bank of Vojvodina will approve six-month loans to banks from the primary money issue to the tune of 5.243 billion dinars at the discount rate allowed by the National Bank of Yugoslavia for financing production, purchase of agricultural stocks, and reserves.

II.

The FEC has concluded that the adoption of the abovementioned documents contravenes the SFRY Constitution and the federal laws in this field.

These documents pave the way for unauthorized issue of money to the tune of 18.243 billion dinars, which is almost half of all the loans to the banks in the country planned to be raised from the primary money issue in 1991.

By threatening foreign currency reserves through exerting pressure on inflation, redistributing income, and creating opportunities for printing fake money, the enforcement of these two laws prevents the implementation of the economic policy for 1991, i.e., the program for economic reform.

The above-stated measures threaten the unity, stability and convertibility of the dinar, which are of key importance for preserving the country's unity.

All this could induce depositors to withdraw their foreign currency and dinar savings, and could bring about loss of faith in the dinar as a single means of payment.

Distortions of this kind in the country's monetary system could result in action to impose a ban on the use of foreign credits already granted and on granting new credits, as well as in a breakdown of negotiations with all international institutions. There is also the likelihood of Yugoslavia's foreign creditors impounding the country's foreign currency reserves to protect their loans to the country, and of the breakdown of Yugoslavia's financial and business transactions with foreign countries. This would deal a heavy blow to the country's financial system both internally and externally.

III.

1. Proceeding from its constitutional powers and responsibilities and having considered the resulting situation, the FEC has come to the conclusion that, in response to the above decisions by the Republic of Serbia, the Yugoslav National Bank should immediately take measures to protect the country's monetary and foreign currency systm, the convertibility of the dinar, and the country's foreign currency reserves.

To this end the Yugoslav National Bank must take the following measures:

—Pass a decision to temporarily withhold new money issue credits;

—Temporarily cease foreign currency dealings on the common foreign currency market;

—Temporarily halt its activities on the money and securities market.

The Yugoslav national Bank must establish whether and to what extent the law enabling the Republic of Serbia to raise a loan from the National Bank of Serbia and the decision to grant a credit to ensure the liquidity of the banks in Serbia have been put into effect. If there is evidence that the credit facilities envisaged by the above law and decision have been used, the Yugoslav national Bank will recover the amount used from the new money issue; in other words, it will take all other measures to stop the decisions of the Assembly of the Republc of Serbia from being implemented

2. The National Bank of Yugoslavia should urgently inspect how other republican and provincial national banks are using money from the primary source of issue. If the inspection establishes that other republican or provincial national banks are using money from the

primary source of issue in an unauthorized manner, the National Bank of Yugoslavia will undertake the same measures which are aimed at the protection of the country's monetary and foreign currency system, the convertibility of dinar, and the foreign currency reserves.

3. The FEC requests the National Bank of Yugoslavia to prepare as soon as possible draft addenda and supplements to the law on the National Bank of Yugoslavia and the single monetary dealings of the republican and provincial national banks, which would ensure that the national Bank of Yugoslavia regulates the handling of the money from the primary source of issue the single bank account with the National Bank of Yugoslavia.

To secure the implementation of the monetary and foreign currency policy measures, and until the mentioned addenda and supplements to the law on the National Bank of Yugoslavia are passed, the National Bank of Yugoslavia will place controllers in the republican and provincial national banks, who will insure that the 1991 policies from this field are being uniformly implemented.

4. The FEC requests the executive council of the Serbian Assembly to immediately undertake measures aimed at halting the enforcement of the law on raising a loan with the National Bank of Serbia and the decision to approve a loan to help solvency of banks, and to propose to the Serbian Assembly to annul these regulations.

The FEC has decided to inform the SFRY Assembly, the SFRY Presidency, the Serbian Assembly, the president of the Serbian Presidency, and the Executive Council of the Serbian Assembly regarding its conclusions, so that these bodies can undertake measures within their constitutional competencies.

V.

When considering the situation that has arisen, the FEC notes once more than it is necessary for all competent republican provincial and federal bodies to endorse the FEC assessments and stances regarding the situation in the country and the measures for overcoming the situation, which the FEC submitted to the SFRY Assembly and the SFRY Presidency on 27 December, the statement from today's FEC session concludes.

Nationwide Cost of Living Posts Dec Increase

LD0401180291 Belgrade TANJUG in English 1726 GMT 4 Jan 91

[Text] Belgrade, January 4 (TANJUG)—The costs of living in Yugoslavia rose 3.3 percent last December, compared to the November figure. They went 120.4 percent up on the December 1989 figure.

The cost of heating and electricity were six percent higher last December than the month before, those of education and culture went up four percent while the cost of food rose 3.7 percent.

The costs of living were increasing to a montly rate of less than three percent in the period from the [words indistinct] 1990 until last August. As of September. However, they rose [words indistinct] reaching a figure of 8.1 percent in October.

However, the costs of living and inflation rate were last December considerably lower than in December 1989. Inflation was 2.666 percent higher in December 1989 than in the corresponding month in 1988.

Article Views 'Independent' Taxation Systems

AU0701220191 Belgrade BORBA in Serbo-Croatian 29-30 Dec 90 p 13

[M. Dapcevic article: "Bills for Disunity"]

[Text] While swords are being crossed over questions regarding what kind of new Yugoslavia there should be and whether there should be one, the divided political leaderships have recently been preparing high bills for there populations. They have resorted to a pile of laws to collect the money that is essential for their independent states.

Most of the republican assemblies (particularly the Serbian, Croatian, and Slovene ones) have in recent days been occupied with adopting new laws on taxes and contributions, that is to say, looking for funding for their sovereign functions, and have thereby rejected even the thought that any part of the "old" could be any cheaper, more efficient, or more useful for everyone. It is difficult to calculate how much these packages of laws, if they are adopted, will cost "our" economic coffers and our voters but there is already no doubt that this will be an expensive bill.

The present political ambitions in the republics stem from the fact that Yugoslavia is hindering the individual republics in their intentions to join Europe. The republics would, if they accomplish this intention, prevent a Yugoslav reform of the taxation system, even though this very same Europe has threatened to close its borders toward a divided Yugoslavia which is crisscrossed with various barriers.

Despite the logic, our states have decided "to impose heavy burdens on their people," giving priority to "how much we need" and not to how much can be borne.

The majority of at least those republics which are capable of raising taxes do not want "to hear about a unified fiscal system" and have started to "delve deeply" into the coffers of those who are liable to pay tax. It can be concluded that either they are not conscious of the consequences which this could have or that the situation is desperate. Indeed, everything is being covered by the euphoria of unbelievable nationalism and "historical rights," but even next month, when bills begin to come in, will show whether we are willing to pay exactly this amount of money.

New Law Permits Private Ownership of Media

LD0701171891 Belgrade TANJUG in English 1457 GMT 7 Jan 91

[Text] Belgrade, January 7 (TANJUG)—Foreigners will in future be able to invest up to 49 percent of the capital in the press, radio and television stations in Yugoslavia. This is one of the main novelties in the federal law on the mass media which came into effect on Monday.

The law guarantees freedom of informing, abolishes all forms of censorship or bans on circulation of newspapers for any reason. Yugoslavs will in [the] future be allowed to own a newspaper or radio and television stations.

The law increases the responsibilities of editors-in-chief. They will be responsible for all published information and the program orientation of the paper.

A paper's program orientation cannot be aimed against violent changing of the constitution, it cannot threaten the country's territorial integrity and independence, violate constitutionally guaranteed human rights and fuel national, racial and religious hatred.

If some of these principles are violated, the editor in chief, as well as the author of the false report, can be fined with 1,000-10,000 dinars or 60 days in jail.

Under the law, the editorial staff cannot comment a reply or correction of a report in the mass media on the same day.

There are around 20 newspapers in Yugoslavia, 15 television and around 200 radio stations. Italian, German, Spanish and other media corporations have expressed interest in investing in Yugoslavia.

Professional Damage Done to TANJUG Noted

AU0601203391 Belgrade BORBA in Serbo-Croatian 29-30 Dec 90 p 20

[TANJUG report: "Scissors Causing Professional Damage"]

[Text] Belgrade—POLITIKA of 28 December carried a TANJUG-attributed report on the news conference held by SFRY Presidency Vice President Stipe Mesic. In the interest of objective reporting, the TANJUG editorial collegium points out to its subscribers that what was involved were only excerpts pulled out of the TANJUG report, so the text carried in POLITIKA does not include Mesic's entire statement and does not contain some of its key elements.

Thus, the POLITIKA version does not contain the parts of Mesic's statement that concern his views of 1991, prospects of Ante Markovic's government, problems of the economic policy in Yugoslavia, the devaluation of the dinar, relations among Yugoslav republics, the implementation of the reform and the anti-inflation program, the Yugoslav People's Army, the statement of the State Department on Yugoslavia, etc.

Shortening TANJUG reports and presenting them in such a way professionally damages TANJUG, because it presents TANJUG to a section of the readership as a biased source of information. TANJUG has been and will remain a professional news agency, consistent in presenting information objectively, open to all subjects of information, nonparty, and Yugoslav-oriented.

Muslims Issue Resolution on National Identity

LD0701191591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1024 GMT 7 Jan 91

[Text] Sarajevo, 7 Jan (TANJUG)—The sovereignty of Bosnia-Hercegovina must be recognized and respected in all forthcoming negotiations on the establishment of a new system of relations between Yugoslav nations and republics.

This is stressed in a resolution of Muslim intellectuals issued in Sarajevo today. It was signed by 84 Muslim intellectuals. Muslims' national identity and interests have to be recognized as equal to all other Yugoslav nations, the resolution stresses.

Each attempt at denying sovereignty of Bosnia-Hercegovina and Muslims' national identity would have far-reaching negative consequences for interethnic relations within Yugoslavia and for peace in this part of the world. A democratic dialogue and consistent respect of the state governed by the rule of law represent the only acceptable way toward resolution of the present Yugoslav crisis, the resolution says. Accord and unity exists among the Muslim people, and the Muslim intellectuals support the legally elected political representatives and government bodies in Bosnia-Hercegovina and Yugoslavia.

This resolution calls on all other participants in the Bosnia-Hercegovina sovereignty—primarily on the Serbs and Croats—to defend with resolve the survival and democratic progress of Bosnia-Hercegovina: this is the message of the Muslim intellectuals' resolution.

Croatian Vice President Post Abolished

LD0701225791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1822 GMT 7 Jan 91

[Text] Zagreb, 7 Jan (TANJUG)—Croatian Republic President Franjo Tudjman today hosted a formal lunch for the six vice presidents of the Presidency of the Croatian Republic whose mandate is being brought to a close, because the new Croatian Constitution has abolished the post of the Presidency vice president. On this occasion, the republican president thanked his close aides for their contribution to the political changes and the consolidation of the new democratic government in Croatia.

Croatia Recommends Halting Deliveries to Serbia

LD0701135591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1142 GMT 7 Jan 91

[Text] Zagreb, 7 Jan (TANJUG)—The government of the Republic of Croatia today reacted to the latest regulations of the Serbian Assembly which, it was said, are destroying the country's credit and monetary system. This is a reference to the law on the debt that the republic could run up with the National Bank of Serbia and to the decision to approve credits for improving the liquidity of banks to the ture of the dinar equivalent of $1.4 billion. As these decisions place Serbia in a more favorable position in relation to other republics, the government of the Republic of Croatia has recommended to enterprises—for the purpose of the proteciton of their own economic interests—that they do not deliver goods to the Republic of Serbia, except in extreme and special circumstances. These measures also generate inflation which, it was said, would be to the advantage of the Repubic of Serbia.

Macedonian Leaders Negotiate Power Distribution

LD0701231691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1806 GMT 7 Jan 91

[Text] Skopje, 7 January (TANJUG)—Leaders of the three leading parties in Macedonia which won the highest number of seats in parliament have, after three strenuous days' negotiations on the distribution of power in the republic, reached an agreement this evening in principle, according to circles close to the negotiating parties. The same sources inform that the president and vice president of the republic come from the VMRO [Democratic Party for Macedonian National Unity], the candidate for Macedonian Assembly president comes from the Alliance of Reformist Forces, while the position of the prime minister will be held by a representative of the Macedonian League of Communists-Party for Democratic Transformation.

The same sources confirm that an agreement has been reached on the candidate for the president of the Republic of Macedonia: He is metropolitan of Vardar Region Mihail; the republican vice president will be Ljupco Georgievski, and the Macedonian Assembly president Stojan Andov. The candidate for prime minister is Petar Gosev.

Although the negotiators are under strong pressure from the public to announce the outcome of their marathon negotiations, official results have not yet been announced.

It has also been learned that portfolios in the republican government have been distributed. The VMRO has won the portfolios of ministers for internal affairs and justice, and it also has four more portfolios. Six portfolios will also go to the Macedonian League of Communists while three ministers in the Macedonian government will be members of the Alliance of Reformist Forces of Macedonia.

Georgijevski on Future VMRO-DPMNE Plans

AU0401131391 Sarajevo OSLOBODJENJE in Serbo-Croatian (Sedam Dana supplement) 23 Dec 90 p 2

[Interview with Ljupco Georgijevski, leader of the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity, by Dusan Joksic; place and date not given: "Macedonia Encircled By Enemies"]

[Excerpts] [passage omitted] [Joksic] You are the victorious party. You will have the most deputies in the future parliament, but neither you nor any other party will be able to form a government by itself. Are you pleased with the results and the elections in Macedonia in general?

[Georgijevski] We are pleased that the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity [VMRO-DPMNE] won. Even though we will not be able to form a government by ourselves, the victory gives VMRO the right to make decisions about the future Macedonian state. In this sense, we will determine what the future steps will be. In any case, we will try to avoid a parliamentary crisis. I hope that we will succeed in reaching agreement, thereby beginning a battle for progressive aims in the new Macedonian parliament. [passage omitted]

[Joksic] When you were still in MAAK [organization for All-Macedonian Action] you liked to say that the Slovenes and Croats were your "natural allies." These are in fact the words of Mate Mestrovic who meant the cooperation between Ante Pavelic and Vanco Mihajlov—that is to say, the cooperation between Croats and Bulgarians. Do you still adhere to this statement?

[Georgijevski] The fact is that Slovenia, Croatia, and even Bosnia-Hercegovina are our "natural allies." Why? Because there are no examples in the world of countries that are not neighbors having anything in common to share and to quarrel about. Enemies are usually to be found among neighbors.

[Joksic] Give examples.

[Georgijevski] Well, if the Greeks conduct an aggressive chauvinist policy toward Macedonia and if Greece keeps a huge part of our territory, of course we cannot call it a friendly country. If Bulgaria demonstrates this kind of policy, too, of course it cannot be our friend. If the Serbs conduct a chauvinist-imperialist policy toward Macedonia, then we cannot call them our brothers.

[Joksic] If one takes a look at your political program, one gets the impression that it was literally copied from the programs of the leading parties in Slovenia and Croatia.

[Georgijevski] We are talking about the Macedonian state and Macedonian independence, an idea that has been present on this territory for more than 100 years. If you look at the ideas of Macedonian revolutionaries up

until the end of World War II, you will see that only the Macedonian state is written everywhere. [passage omitted]

[Joksic] You advocate the introduction of Macedonian citizenship and passports. What will Macedonia gain from this?

[Georgijevski] First, a new attribute as a state. Second, the new idea of "gathering together" Macedonians in the diaspora. Third, a large number of "guest workers" live in Macedonia—around 150,000 Albanians, 50,000 Serbs, and as many Sandzak people—and the Macedonian economy cannot accommodate so many. If we continue to sell this Macedonian territory, we will very quickly collapse as a state.

[Joksic] Will that not mean closing yourself into your own borders, which is contrary to your commitment to a Europe without borders?

[Georgijevski] Every civilized state has mechanisms to reject what they do not want. The United States and France have visas, so I do not see any reason why Macedonia cannot apply this, too.

[Joksic] You are therefore in favor of a confederal Yugoslavia, which in the extreme case means borders are changed. Gianni de Michelis, Italian minister for foreign affairs, recently reiterated Europe's stand on an indivisible Yugoslavia.

[Georgijevski] It is true that Europe and the world are appealing for Yugoslavia to be preserved; however, their stand is also not to interfere in the internal affairs of countries. In this sense, their actions are demonstrating the exact opposite of their official commitment to a unified Yugoslavia.

[Joksic] Europe, however, will have no borders in 1992 and you are practically advocating the establishment of new borders between states within the country.

[Georgijevski] We are also in favor of a Europe without frontiers, but we are also in favor of Macedonia in this Europe without frontiers and not as a Macedonia assimilated into Yugoslavia in this Europe without frontiers. [passage omitted]

[Joksic] It has been learned that when it comes to dividing up authority, you will want the most important departments, internal and foreign affairs. What will you do first?

[Georgijevski] We will first of all depoliticize the Secretariat for Internal Affairs and create specialist teams which will be able to perform their tasks without outside pressure. Regarding foreign affairs, we will first of all establish a direct link between Macedonia and individual European countries and neighbors.

[Joksic] Does this also mean opening consulates?

[Georgijevski] Yes.

[Joksic] You advocate your own Macedonian army. General Veljko Kadijevic recently said that the Army will not permit this under these conditions....

[Georgijevski] The speech by Mr. Kadijevic was, above all, a way to frighten his own officer cadres because the fact is that the Army is also becoming increasingly stratified—it contains Croats, Slovenes, and Macedonians... who are increasingly thinking about their own nationality. Kadijevic has fallen to the level of Vuk Draskovic who is constantly bandying about spears, swords, and tanks. In democratic countries, people would have to submit their resignations after making such statements.

[Joksic] Your attitude toward the "Albanian issue" in Macedonia is well known and even goes as far as deporting or returning Albanians to Kosovo. How do you intend to do this?

[Georgijevski] We advocate civilized measures and Macedonian citizens will make it clear to the many Albanians who have settled here that they are only working here temporarily and that their republic or country is in another place.

[Joksic] You are committed to a parliamentary democracy which involves the national rights and equality of citizens; however, on the other hand, you intend to write into the Constitution that Macedonia is the state of Macedonians. How do you intend to reconcile the two, nevertheless, conflicting stands?

[Georgijevski] We are a small state, a small people, and we are actually being forced into this by the aggressivity of Albanian nationalists and their parties, which want to divide Macedonian sovereignty. We are reacting with self-defense. Macedonia, therefore, can be the national state of only the Macedonian people.

[Joksic] You have entered the Macedonian parliament through the front door with more deputies than you expected. You have entered into cooperation with the redesigned communists. How will you behave toward the Albanian Party of Democratic Prosperity which you want to scrap?

[Georgijevski] We will, of course, be condemned to cooperate. We will certainly not fight with the Albanians in parliament, but we cannot cooperate with them to a greater extent. By setting up the Party of Democratic Prosperity they have only formed a ghetto and they will always be a minority in the Macedonian parliament.

[Joksic] Your attitude toward resolving the economic situation in Macedonia basically boils down to the dissolution of the federation and Yugoslavia, which has, as you say, only sucked Macedonia dry. Do you have any specific plan and program at all?

[Georgijevski] It is true that the Macedonian economy faces bankruptcy. The new process must begin but, for it

to begin, we must destroy this Yugoslav federal economic monopoly, which has always only sucked Macedonia dry. We are also committed to a market economy, the privatization of social property, the initiation of a new investment cycle, and the restructuring of the economy. Furthermore, we are also committed to the construction of the infra-structure—roads, hydroelectric power stations, dams, railroads.... [passage omitted]

[Joksic] What do you say about the formation of a party of Serbs in Macedonia?

[Georgijevski] This is an excellent thing which effects VMRO. Our enemy, which we will fight against, has imposed itself on us. This will also be a healthy injection for the homogenization of the Macedonian people. Otherwise, such a party will not have a pleasant existence alongside VMRO-DPMNE.

[Joksic] Is this a specific threat?

[Georgijevski] No, it is not. We will simply wait for them to appear, to see what they look like.

[Joksic] Finally, tell us what you think about the plebiscite for the independence and autonomy of Slovenia and whether you will embark on the same road, considering your identical stands?

[Georgijevski] Slovenia has been preparing the ground for independence for three to four years. This is not the case in Macedonia and we will not, of course, be able to hold such a referendum at the moment. In six months, if consciousness about Macedonia's independence has strengthened, why should we not also go for a referendum. It is too early now.

[Joksic] After our talk, Vladimir Golubovski was forced to resign at the VMRO-DPMNE meeting in Titov Veles. How will this effect your party's work?

[Georgijevski] The development of events after the forced resignation of Golubovski will mean the end of the crisis in the leadership of VMRO-DPMNE, which has lasted several months. This also creates the opportunity to consolidate the party. Perhaps with Golubovski's resignation we disappointed our enemies. With this decision, however, we proved that VMRO firmly adheres to the principles of its program and statutory orientations, which we will implement in the future, too.

Albanians in Macedonia Form Political Party

LD0701185591 Belgrade TANJUG in English 1602 GMT 7 Jan 91

[Text] Skopje, Jan. 7 (TANJUG)—The talks on the future order of Yugoslavia cannot be held without ethnic Albanians and respect for their legitimate interests in the future community, as the Party for Democratic Prosperity in the Yugoslav Republic of Macedonia set out today.

In a statement released today, the Party for Democratic Prosperity, which rallies ethnic Albanians and has representatives in the Macedonian parliament, set out that the ethnic Albanians were the "third largest people in Yugoslavia," and that illusions were harboured in high places that the Yugoslav issue could be resolved without the ethnic Albanians.

Around two million ethnic Albanians live in Yugoslavia, mainly in the Province of Kosovo, which is part of the Republic of Serbia. Ethnic Albanians, who account for 90 percent of Kosovo's population, have the status of a nationality in Yugoslavia.

Milosevic Expected To Step Down as SPS Leader

AU0701194491 Belgrade BORBA in Serbo-Croatian 5-6 Jan 91 p 13

[C. Milivojevic report: "A Foursome Run the Race for Prime Minister"]

[Text] Belgrade—With only six days to go until the beginning of the first session of the People's Assembly of Serbia, the only thing that is quite certain regarding the composition of the new Serbian state leadership is that the current president of the republic will again take an oath before the republican parliament. This and the certainty that the first session of the single-chamber Assembly will be presided over by the oldest deputy (Sejdo Bajramovic or Batric Jovanovic) are the only details that have so far been publicly confirmed about the post-electoral distribution of authority in the largest Yugoslav republic.

Everything else is just speculation. To judge from the sources that it comes from, however, the speculation is very realizable. Thus, for example, according to sources close to the leadership of to Socialist Party [SPS], there is the increasingly certain possibility (which BORBA has already reported) that the first freely elected president of the Republic of Serbia, Slobodan Milosevic, will "separate" his party function from his state and "step down" from his position as head of the ruling party. In this case, it has been learned that Dr. Bogdan Trifunovic, former head of the League of Communists of Serbia, would again take over the party's helm.

Because some of the election favorites of the SPS (Slobodan Vucetic, Dr. Milos Laban, Dr. Ratko Markovic, Dr. Milos Aleksic, Dr. Milorad Unkovic, and Dr. Stanko Radmilovic) lost the election marathon for deputy seats, the list of possible candidates for ministerial armchairs and the key positions in parliament has been reduced.

Because of his election failure, Dr. Stanko Radmilovic will probably leave his position as state prime minister. According to the first forecasts, the most serious candidates for his successor have been Zlatan Perucic, current president of the Executive Council of Belgrade, and Dr. Oskar Kovac, former member of Mikulic's cabinet. As things stand now, however, it has been mentioned that the names that Slobodan Milosevic could propose for the

person to form the new government include Radmilovic's predecessor, Dr. Desimir Jeftic, and Dr. Miodrag Zecevic, director of the Franco-Yugoslav bank, with the latter having somewhat more of a chance. In any case, according to the same sources, professor Kovac is a certainty at least for one ministerial position (this would be the Finance Ministry).

Radmilo Bogdanovic, the current republican secretary for internal affairs, will probably enter the diplomatic corps and a serious candidate for his position, according to BORBA's sources, is Zoran Sokolovic, the current Assembly president. Who in this case would be president of the People's Assembly? There was much speculation before the elections about the possibility that this would be a person in authority, and the leader of the Democratic Party, Dr. Dragoljub Micunovic, was already "envisaged" in this post. After the opposition's election disaster, however, Bogdan Trifunovic's name was mentioned first of all, while Aleksandar Bakocevic, former Belgrade mayor, has now recently come to the fore.

It would of course be logical for the united Serbian opposition to receive their slice of the "cake" of authority according to the percentage of deputies it has in parliament. Because the opposition has not yet taken a decisive stand on the way they will participate in the government—apart from the name of the businessman Djordje Zecevic from the Democratic Party—no specific names have been mentioned of those who could possibly receive a portfolio or another high post.

How the new Serbian Government will actually look will not be known until 11 January because the cadre lists, according to BORBA's sources, have not yet been completed.

Serbia Replies to Monetary Accusations

LD0801044191 Belgrade TANJUG in English 0128 GMT 8 Jan 90

[Text] Belgrade, January 8 (TANJUG)—The government of the Yugoslav Republic of Serbia last night begrudged the federal government for blaming only this republic for the disruption of the country's unique monetary and hard currency system.

The federal government yesterday accused Serbia of breach of monetary discipline in late December last year by adopting a regulation allowing it the unauthorized issue of 18 billion 234 million dinars (equivalent to over two billion German marks).

The Serbian Government knows that the regulations of the monetary and hard currency system are not fully respected by all republics and provinces, and even at the federal level, it was announced. It therefore demands an urgent check of all republican national banks in order to establish which had gone over and beyond the frameworks agreed upon and by how much.

The use of extra credits from primary issue, of which Serbia is accused by the federal government, this republic justifies by the too heavy burden placed on its shoulders - to finance the purchase of about 600,000 tonnes of wheat for stockpiling. Not even the rate of financing from the primary issue was sufficient to meet the republic's obligations to its farmers.

The Serbian Government agrees with the federal government proposal that only the National Bank of Yugoslavia approve floatation.

Novi Sad Deputies Demand Radical Media Changes

LD0701220191 Belgrade TANJUG in English 2059 GMT 7 Jan 91

[Text] Novi Sad, Jan 7 (TANJUG)—Five newly-elected deputies from Novi Sad, representatives of the opposition of the Province of Vojvodina in the future parliament of the Yugoslav Republic of Serbia, today demanded radical changes in the information system.

In an appeal sent to the parliament of Serbia and the Province of Vojvodina, the opposition party deputies demand that the work of the future multi-party parliament be covered by journalists who are professionals not burdened by orientations.

The deputies of the opposition parties reproached Television Belgrade, Television Novi Sad, the Belgrade daily POLITIKA and the Novi Sad newspaper DNEVNIK for rooting in favor of only one party and being intolerant with regard to the views of others.

The opposition parties in Serbia, on the eve of the elections, in several protests demanded the replacement of the managements of Television Belgrade and the daily POLITIKA because, as cited, they "served the communist authorities in Serbia". The Socialist Party of Serbia, (former communists) carried off a convincing victory in Serbia's recent elections.

A group of 48 journalists in today's protest sets out that it is "inadmissible" that Television Belgrade on Saturday, January 5 "did not find even ten seconds of air-time to report about the news of the death of one of Yugoslavia's most prominent journalists - Jug Grizelj.

Jug Grizelj, as president of the Serbian Journalists' Association, was against the changes made in the association which were ordered by the authorities two year ago.

Serbian Opposition Protests Christmas Work Day

LD0501114191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1050 GMT 5 Jan 91

[Text] Belgrade, 5 Jan (TANJUG)—The United Opposition of Serbia today issued a statement strongly protesting "the decision of the Serbian Assembly that Orthodox Christmas Day be a work day."

In the opinion of the opposition, "this represents an uncivilized gesture offending the religious feelings of the Serbian people and ignoring Europe's democratic tradition."

For this reason, the United Opposition of Serbia calls on all Serbian citizens to protest by leaving their offices at 1000 GMT on Christmas Day [7 January] to have Christmas lunch with their families. This is part of the statement signed by Dragoljub Micunovic, chairman of the Democratic Party.

Maliqi Comments on Future Relations With Albania

AU0801094191 Zagreb DANAS in Serbo-Croatian 25 Dec 90 p 26

[Fahrudin Radoncic report on interview with Shklezen Maliqi, "prominent Albanian intellectual and one of the more influential people in Kosovo"; place and date not given: "Why We Did Not Vote"]

[Excerpts] [passage omitted] [Radoncic] What is the main reason for the Albanian boycott of the elections in Serbia, and have Albanians, as has been claimed, made a strategic mistake?

[Maliqi] In fact, Albanians did not have a choice. They could not vote while Kosovo is under a police regime, in an emergency state, while the Kosovo Assembly is disbanded, the government expelled, and autonomy outlawed. Taking part in the elections under these conditions would have meant recognizing the occupation of Kosovo. The founding of parties in Kosovo in the recent months was only tolerated; it was not truly free. It would have really been crazy to ignore all this, as some people advised us, to win some twenty seats in the Serbian Parliament or to try to overthrow Milosevic. Anyhow, it was demonstrated that the Albanian vote would have not been enough to prevent him from winning in the first round of elections.

[Radoncic] According to some claims, the boycott of elections means that Albanians, in practice, do not recognize the Republic of Serbia.

[Maliqi] This is clear to everyone. Albanians have, through a plebiscite, decided in favor of Kosovo leaving Serbia and supported the constitution of the Republic of Kosovo which was promulgated by a legally elected assembly of Kosovo. They said: We have nothing to do with Serbia and its elections, we will take part only in elections in Kosovo or in the federal elections. Even those who calculated with a possibility of our candidates running in the elections as independents—to win some seats in the Serbian Parliament and perhaps to try to change the firm Serbian policies—they could not have ignored the plebiscitary will of the Albanians.

Taking part in the elections would have meant accepting a fait accompli, giving in to the pressure to abolish Kosovo's autonomy with the elements of statehood and equality in the federal parliament, where the Kosovo delegation enjoyed the right to veto.

[Radoncic] After the multiparty elections in Serbia, one thing is certain: Kosovo will remain an open question. On the other hand, the situation in Albania is changing rapidly. Considering the possibility of Albania becoming democratic, to what extent can all this influence various Albanian-Kosovo options and eventually the future of Kosovo itself?

[Maliqi] Events in Albanian are directly connected with events in Kosovo, which are in turn connected with events in Yugoslavia and, beyond it, Eastern Europe. Their common denominator is not only the attempts to put an end to bolshevism, but also the attempts to redefine ethnic borders of this entire area. Countries with real socialism are now being transformed into a special kind of entity—postcommunist national states. Utopia has gone, nation and national sovereignty are becoming the most valuable things. In this general trend Albanians, of course, cannot remain an exception. They are more and more openly striving for the creation of their own ethnic state. If Yugoslavia breaks up into national states, in which all nations strive for the unification of ethnic territories, Albanians could hardly be deprived of the right to consider themselves a divided nation which has the right to unification. Especially if one takes into account the extent of repression against Albanians and the obvious gap which will separate them from Serbia for several generations. If Milosevic is considered president of all Serbs, and is striving for the unification of all "Serbian territories," why would others not have the same right? The theories according to which the Serbs have more of a right to set up their own state than others, and according to which one set of rules applies to Serbs in Vojvodina, Croatia, and Bosnia-Hercegovina and another to Kosovo and Albanians, are in fact strange and racist. [passage omitted]

[Radoncic] What does Milosevic's election victory mean for Albanians?

[Maliqi] It means a loss of the last, though minimal, hope that reason will prevail in Serbia and that a process of dialogue and negotiation will start. Milosevic's victory means a victory for the policy of force. It also means that the Kosovo question will probably continue to be militarized, which will force Albanians to definitely separate from Serbia. We would have probably been in a more difficult position if the elections had been won by the demagogic opposition, which does not consider itself responsible for the current policy toward Kosovo, but which would at the same time alleviate the repressive policy and offer Albanians cultural autonomy and equal civil rights. [passage omitted]

Slovene Army Service Law Expects Shorter Service

AU0601190991 Ljubljana DELO in Slovene 28 Dec 90 p 2

[Branko Soban report: "Young Slovene Men Should Spend Just Over Half a Year in the Army"]

[Excerpt] Ljubljana, 27 Dec—According to the latest regulations, military service should last seven months (without leave) or eight months at the most (including leave). The Presidency of Slovenia will have the power to discharge a certain number of soldiers 30 days before the end of their service. According to new plans, therefore, young men in Slovenia will in fact wear military uniform just over half a year.

This is probably the most interesting novelty in the proposal of the law on military service which has been discussed by the Slovene government members. The law, which should be adopted already next year, expects that during the transitional period, the young people should serve the Army in the Yugoslav People's Army [JNA], the territorial defense, or the police.

The majority of these young people will remain in Slovenia. It will be an exception for them to go to other republics (to attend schools for reserve officers or to receive training that is impossible to get at home). They will return to Slovenia when fully trained.

Conscientious objection is also made possible by the law. There will be two possibilities for this category of young people: military service without weapons and civil service. Civil service will be performed in the health and social areas, as firefighters, and in other public organizations. These young people—and this is not the case in many places—will perform their "military service" as long as those in the regular service. These changes will be carried out immediately after the law is adopted. The service in the territorial defense units and the police will be gradually introduced as of 30 June 1991. [passage omitted]

Sources Examine USSR Foreign Policy Changes

AU0601180091 Belgrade Domestic Service in Serbo-Croatian 0900 GMT 6 Jan 91

[Branislav Canak commentary]

[Excerpts] The first days of the new year in the Soviet Union have been taken up in the quest for the kind of government that would guarantee the possibility of a more energetic turnaround on the road to reforms. Here is Branislav Canak:

[Canak] This important task which could have far-reaching positive consequences if it is consistently carried out, is being led by the new man in the leadership of the Soviet authorities, state vice president, Gennadiy Yanayev. Let us recall that Yanayev was elected to this newly introduced post at the last session of the Congress of People's Deputies at the end of last year.

The new and first vice president of the state has immediately received the important task of forming a new government which will, in contrast to the previous one, be answerable to President Gorbachev.

In the current Soviet circumstances, forming a government does not simply mean drawing up a list of candidates for individual departments, but involves an essentially changed concept and role of the government in future political life. Perhaps it is even more important that, according to the new concept that is just appearing, the government should radically change its attitude to economic entities because the application of the principle of decentralization and the transfer of powers to enterprises would mean many ministries would disappear. [passage omitted]

Regarding foreign policy, it is clear that nothing will ever be the same after the resignation of Eduard Shevardnadze. As we have learned from well-informed sources, the new minister of foreign affairs—and this could be Aleksandr Dzasokhov, member of the Politburo—would be primarily responsible for one part of the country's foreign policy, relations with the so-called Third World. Mikhail Gorbachev would take over relations with the other super power and Gennadiy Yanayev the complex of European relations.

If the aforementioned source is to be believed, this new distribution of powers could be explained by internal political and foreign policy reasons. That is to say, because most attacks on Shevardnadze were because of alleged concern that agreements with the United States and Europe were weakening the security of the Soviet Union, now all attackers are being directed toward a far larger target, Mikhail Gorbachev.

This also shows that there will be no deviation from foreign policy when it comes to this part; however, there will be changes actually in relations with the Third World. These have, after all, been necessary because the previous super power policy dominated by the source [izvoran] ideology has not only not produced results but has been totally superseded by the changed awareness of the Third World regarding quite different needs and priorities.

All this in its own way shows that a decisive year has begun for the Soviet Union. During this year, many long-postponed moves will have to be made, moves of fateful importance for the future of the country and for each of its parts individually.

National Bank Halts New Money Issue, Credits

LD0701232291 Belgrade TANJUG Domestic Service in Serbo-Croatian 2000 GMT 7 Jan 91

[Text] Belgrade, 7 Jan (TANJUG)—The increasingly frequent examples of indiscipline and breaches of established frameworks and regulations in the sphere of monetary and exchange rate policy, which at the end of 1990 assumed disturbing proportions, are in conflict with the law on the Yugoslav National Bank and with the common monetary operations of the national banks of the republics and the autonomous provinces. These phenomena have resulted from the overall unfavorable socioeconomic situation in the country. This has

prompted the Council of Yugoslav National Bank Governors to pass decisions within its capabilities at a session today. The above was in a statement issued after the session.

By a majority vote the Council of Yugoslav National Bank Governors passed a decision temporarily banning the national banks of the republics and the autonomous provinces from granting new money issue credits and other loans. This exceptional but temporary decision is envisioned by the law providing for interim measures, objectives, and tasks of the 1991 monetary policy adopted by the SFRY Assembly last December.

The Yugoslav National Bank also passed a decision under which the national banks of the republics and the provinces which have granted new money issue loans above the limits and contrary to the conditions stipulated by the Yugoslav National Bank regulations must, under a decree from the Yugoslav National Bank, recover those loans which exceed set limits and contravene conditions for their use.

It has also been decided that within the next eight days the Yugoslav National Bank will execute direct control, in all the national banks of the republics and the provinces, of the use of the new money issue loans. It will also want to establish whether the set limits and stipulated conditions for granting new money issue loans have been observed. The Yugoslav National Bank will take all measures at its disposal to insure that all the conditions for using the loans as well as all restrictions envisioned by projected monetary policy are being observed. This implies measures against individuals found to be responsible for granting new money issue loans in contravention of existing regulations. The Yugoslav National Bank has also passed a decision naming its controllers to oversee the implementation of its decisions by the national banks of the republics and provinces.

By majority vote the Council of Yugoslav National Bank Governors also launched an initiative to change and amend the law on the Yugoslav National Bank and harmonized monetary operations of the national banks of the republics and the autonomous provinces. Until this law comes into effect temporary restrictions will be imposed on granting credits and other loans from new money issue by the national banks of the republics and provinces. The issuing of new money and its use will be carried out through a common account placed with the Yugoslav National Bank—the Council of Yugoslav National Bank Governors says in conclusion.